Daily Report

Latin America

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FBIS-LAT-92-147 *30 July 1992*

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Colombia

Santa Fe de Bogota radio reports Defense Minister Rafael Pardo has stated Colombian sovereignty "was not violated" regarding overflights of U.S. aircraft. The flights are "routine operations...controlled by the Colombian Air Force as part of the cooperation offered by foreign countries in the struggle against drug trafficking." He added, "There is a Colombian official on board each of these flights. This official serves as a liaison." The radio also carries a letter from the governor and the mayor of Antioquia to President Cesar Gaviria, which states the overflights "caused panic among the people." The officials said their offices require that they be "in a position to provide timely information to our constituencies...and to share in the responsibility for whatever action is taken."

Chile

According to Santiago radio, the government had achieved its "established objectives" when it allowed the departure of former East German leader Erich Honecker from the Chilean Embassy in Moscow. Foreign Minister Enrique Silva Cimma told Santiago TV that the conditions Chile had raised with the German and Russian Governments for the release of Honecker "were strictly met." Santiago radio reports that acting National Renewal President Miguel Otero saw the Honecker departure as a "defeat" for the government, while the Independent Democratic Union has asked for a "special session" of the Chamber of Deputies to hear the government's explanation of its actions in the case.

Brazil

Madrid EFE reports that President Fernando Collor is "preparing a legal barrier to protect himself from an almost inevitable impeachment." Presidential Secretary Coimbra said that Claudio Vieira will not take an additional 16 documents requested by the Congressional Investigating Committee (CPI) since the documents already presented are "conclusive." According to Brasilia radio, Workers Party Senator Eduardo Suplicy introduced a secretary who can disprove the evidence Vieira presented to the CPI regarding a Uraguayan loan for $5 million. The secretary charged that Vieira provided documents for a "fake deal mounted by the ASD enterprise." She added: "Discussion regarding the contract started two weeks ago in Sao Paulo."

El Salvador

San Salvador radio reports FMLN member, Boris Gonzalez has "reaffirmed" that the demobilization of the second 20 percent of FMLN troops has been suspended "as long as conditions allowing the reintegration of former guerrilla fighters into civilian life are nonexistent." San Salvador TV reports a news conference by President Cristiani in which he stated that "in spite of interruptions," 31 October remains the date for compliance with the peace agreements. The delays, Cristiani said, "have not been a result of lack of will, but a result of lack of resources and of the absence of the FMLN from important meetings."

Peru

In a message to the nation broadcast by Lima radio, President Alberto Fujimori said the struggle against hyperinflation and the solution to the debt problem have "entailed costs such as the recession." Still, the president said the "benefits" will affect "all Peruvians" "in the medium- and long-term." Fujimori said Shining Path was "moving away from society, and the people are increasingly rejecting them." Fujimori also noted "we have decided to hold municipal elections the first Sunday in February next year."

Nicaragua

Managua TV reports the Presidency Information and Press Directorate issued a communique on 28 July concerning the student occupations of Radio Nicaragua and Channel 6 TV. The communique says the students "have been manipulated by reports of alleged official censorship." "The government of the Republic will act with firmness to guarantee peace and public order," the communique states.

Cuba

Havana Reports Fidel Castro's Return on 29 Jul

FL2907164392 Havana Radio Rebelde Network in Spanish 1500 GMT 29 Jul 92

[Text] In the early hours of 29 July, Commander in Chief Fidel Castro, the president of the Councils of State and Ministers, arrived in Cuba accompanied by the other members of the Cuban delegation. They had attended the Ibero-American Summit, then carried out a schedule of activities in Spain that included a visit to Galicia.

Comrade Fidel was greeted at the airport terminal by Army General Raul Castro, the first vice president of the Councils of State and Ministers.

Commentary Notes Castro Visit to Lancara

FL2907004592 Havana Radio Progreso Network in Spanish 2050 GMT 28 Jul 92

[Commentary by Pedro Martinez Pides]

[Text] Good afternoon, esteemed listeners. If the first day of President Fidel Castro's visit to Galicia was stimulating and full of symbolism, the 28 July visit was the realization of a long-awaited dream by the Cuban statesman since his childhood and adolescence: to be able to see the land of his father and grandparents, poor peasants from the Galician province of Lugo, who lived in Lancara Municipality.

The head of the Cuban Revolution arrived in Lancara on the afternoon of 28 July accompanied by Manuel Fraga Iribarne, president of the autonomous government of Galicia. After receiving the official greeting from the local authorities and the passionate enthusiasm of residents of Lugo City, the capital of Lugo Province, Fidel received the title of adopted son in the City Hall of Lancara. The award was approved by a unanimous agreement in a session chaired by Mayor Eladio Capon Lopez.

Residents of Lugo, Lancara, San Julian, and the area of Armea burst into cheers. Fidel's two cousins, Victoria and Estela Lopez Castro, and the people of the town of Armea, as well as the town authorities, have been waiting many years for his visit. Fidel, far away in the Caribbean, near the coasts of the United States, and at the fury of the Empire, represents the noble virtues of the Galician emigrant: kindness, hospitality, generosity, total dedication to their work, but at the same time a profound feeling of dignity, bravery, and principles.

To the people of Lugo, as well as to Cubans, Fidel Castro is a hero. That is the way he was received on 28 July. Fidel was received with flowers and chants saying: "Fidel our friend, Galicia is with you;" "Cuba yes, Yankees no;" "End the Embargo, U.S. out of Guantanamo." Even the great press, which for years has been a source of misinformation to the Spaniards, has not been able to hide the tremendous impact of Fidel's visit to Galicia.

Yesterday, it was Santiago de Compostela, Boiro, and the Port of (Caraminal); today Lugo Province has been the center of attraction of all Spain. In Lugo, in a place named (Caballeria de Rego) in the mountainous area, a pilgrimage was carried out. This pilgrimage was similar to the one that President Fraga experienced while visiting Galicians living in Cuba. Four hundred reporters, twice the amount of the previous record in Galicia, came to this autonomous region of Spain to cover Fidel's visit and [words indistinct].

After the Second Ibero-American Summit, the inauguration of the Olympic Games in Barcelona, and the ceremony at the Universal Exposition in Seville, news is being made in Galicia. As I have previously mentioned and as Spanish television has confirmed, it was not Fidel's intention. The center of attention in these summer events in Spain, even if it hurts the U.S. Government and its allies in Miami, has been President Fidel Castro.

The millions of dollars invested in bribing mercenaries, the skirmish life of some tightwads—or as Jose Marti put it: the cowards that betray their fatherland—and the great disbursements made to support the anti-Cuban propaganda, were totally worthless. Galicians, Catalans, Andalusians, and all other people that make up the Spanish state have a sixth sense—they know and feel the true human and political dimension of the highest-ranking Cuban representative.

Later on tonight, at the conclusion of the second day of Fidel's visit and maybe after a news conference, Fraga and Fidel will dine together, once again, to seal the ties between Galicia and Cuba, and the economic agreements made in the naval and fishing industries, which, as it was reported by a Galician radio station this morning, exceed $100 million.

Even if the true significance of Fidel's visit is political and not economic, in Galicia, the people of (San Cudin) are demonstrating against the embargo.

Commentary on U.S. Television Transmissions

PA2907212692 Havana Radio Havana Cuba in Spanish 0000 GMT 29 Jul 92

[Roberto Morejon commentary]

[Text] Since the subversive transmissions of the ill-named Television Marti began, they have been properly blocked by Cuban technicians in the defense of the island's right to respond to what it rightfully considers a violation of its airwave sovereignty.

Even though the unsuccessful attempts to beam its television signals against Cuba have been taking place since March 1990, the White House prefers to disregard

the huge waste of resources spent on its ineffective destabilization plans. Since Television Marti is neither seen nor heard in Cuba, the feeling of frustration and the awareness that huge resources are being squandered are gaining support, at least in certain congressional circles. This is indicated by a letter sent by 31 U.S. Democratic Party congressmen to Neal Smith, chairman of the Commerce, Justice, State, and Judiciary Subcommittee of the House of Representatives.

The congressmen said the $47 million used to finance the anti-Cuban television station during the last two years were practically lost and they were opposed to the allocation of $15.585 million in the 1993 fiscal budget to cover expenses for this television station.

Opposition Member on Repression, Reforms

AU2907114192 Hamburg DER SPIEGEL in German 27 Jul 92 pp 133-138

[Interview with Elizardo Sanchez, member of the "moderate wing of Cuban opposition," by an unidentified DER SPIEGEL reporter; place and date not given: "This Hatred May Cause Earthquakes"]

[Text] [DER SPIEGEL] Has the repression of the opposition in Cuba increased?

[Sanchez] Absolutely. After the Communist Party congress last October dozens of dissidents were arrested. I was beaten up, my house was besieged repeatedly and attacked with stones. The Government claims that these are spontaneous expressions of opinion by the people, but the mob is organized by the State Security Service.

[DER SPIEGEL] How does the Government act against the opposition?

[Sanchez] Cuba has an enormous machinery of repression with more than 100,000 armed men. Recently, the government established paramilitary units, so-called rapid reaction forces. Over 30 years the state has managed to watch almost every citizen individually. Even neighbors spy on each other.

[DER SPIEGEL] How many political prisoners are there in Cuba?

[Sanchez] Officially, the government does not give any figures. According to our estimates, a total of 70,000 to 100,000 people are in prison in Cuba; 2,000 to 5,000 of them are political prisoners. In relation with the population of 10 million people, Cuba has the largest prison system in the world—more than 100 prisons and prison camps. I was released from one of these camps last year.

[DER SPIEGEL] Do they also use torture?

[Sanchez] The method of letting people disappear, which is known from other Latin American countries, does not exist in Cuba. There is no physical torture, either. During my eight-and-a-half years in Cuban prisons I was never beaten. The government prefers psychological torture. Isolation for several weeks or months is usual, sometimes in complete darkness. As a result of the tropical temperature, the cells, which do not have windows, turn into ovens.

[DER SPIEGEL] Why is there not more resistance?

[Sanchez] We were not prepared for such a totalitarian system. Historically, there has never been anything like this in Cuba. Europe was able to gain experience with totalitarianism for centuries and learned to resist oppression.

[DER SPIEGEL] Who are the dissidents?

[Sanchez] There are two opposition groups: On the one hand, the rightist exile Cubans, who are supported by Washington. On the other, there is a broad pluralistic alliance, which ranges from center-right to center-left and to which I, too, belong. This moderate group split up recently: One part turned to the right, toward the militant opposition of the exile Cubans. This was predictable, because the Cuban Government, too, has made its position more rigid. But we must not dance to the tune played by the government.

[DER SPIEGEL] How strong is the opposition?

[Sanchez] The government speaks of about 1,000 activists, but this is not important. Today we are as many as Andrey Sakharov and his associates were or Vaclav Havel and his group. We are only the visible part of the iceberg. Most Cubans want a peaceful, democratic change, but first they have to defeat fear. Many prefer emigration over political struggle.

[DER SPIEGEL] The human rights movement itself has split up, too.

[Sanchez] Yes, in 1987 we split into two wings over the question of national reconciliation. I think that in Cuba, too, there must be a process of national reconciliation, as in Chile, Nicaragua, or Spain. The rightists reject this. Both orthodox communists and radical rightists should have room in our country.

[DER SPIEGEL] What is the situation of human rights like in Cuba?

[Sanchez] We try not to demonize the system. In the social, economic, and cultural fields Cuba is better off than Honduras or Bolivia, for instance. So far, the government has also been able to guarantee a minimum of vital consumer goods. There are no begging children in the streets. But civil rights are being violated massively. The Cuban Government violates at least 25 of the 30 articles of the human rights charter.

[DER SPIEGEL] Are there prospects for a peaceful change?

[Sanchez] Yes, but the leeway is becoming increasingly small. Cuba is in the worst crisis since the founding of the republic. Food supplies are deteriorating, the education system is decaying, there are fewer and fewer

pharmaceuticals. Even though this does not mean that the government does not have any support at all now, it is, however, content with having people pretend that they support it. It does not realize that the support is not real. This is typical of totalitarian systems.

[DER SPIEGEL] What does Cuba's future look like?

[Sanchez] There are only two alternatives: A violence-free political one, for which we are working, and a violent, very bloody one. I am not dramatizing: If a bloody conflict breaks out here, we will perhaps experience a tragedy, such as has never happened on this continent this century. Too much hatred has built up in society over 30 years, and many Cubans know how to use arms. This hatred has earth-moving power, it can cause earthquakes. It is invisible, but if a power vacuum develops, it cannot be controlled anymore. Unfortunately, there are no signs that the Cuban Government is preparing for negotiations. It is stepping up oppression day by day. This is irresponsible. We need a national dialogue.

[DER SPIEGEL] How do you see Fidel Castro as a person?

[Sanchez] In the words of writer Gabriel Garcia Marquez: He is a patriarch, who has passed his autumn and is now moving into his winter. This is regrettable, because in the past he used to represent the desire for progress, democracy, and freedom. All the people supported the revolution in 1959. But the time of the heroes of the revolution is over, today the people are oppressed and exploited by the ruling class. The government cheated us, today the former engine of the revolution is its biggest obstacle.

[DER SPIEGEL] Are there representatives of a moderate line in the government?

[Sanchez] Some of them are at least as repressive as Fidel Castro or even worse. Chief ideologist Carlos Aldana, who was celebrated as the big reformer for some time, has always been very repressive; he only tried to put up a legend around himself. Not only the majority of the Cuban people want democratic reforms, but also the majority of the Communist Party. Party members have often helped us in secret. Even in the president's immediate surroundings there are men who want change. But they keep silent because they are afraid. They remember the end of General Arnaldo Ochoa, who was executed in 1989.

[DER SPIEGEL] Would the lifting of the U.S. embargo pave the way for reforms?

[Sanchez] I have suggested this repeatedly. I think that Havana and Washington should negotiate. And if Europe does not want to send ambulances and pharmaceuticals one day, it should try to mediate now.

[DER SPIEGEL] Has the Cuban Government some kind of strategy for how it wants to overcome the next few years?

[Sanchez] It is trying to play for time and is hoping for a miracle. During the attempted putsch in the former Soviet Union last year, they thought that the miracle would happen then. Now they are hoping for setbacks in the democratization of Latin America to divert attention from Cuba's own misery.

[DER SPIEGEL] Could Castro not introduce the change himself?

[Sanchez] Yes, but this presupposes his adopting a revolutionary position. He has repeatedly ruled that out. Today Castro seems to be the most conservative of all.

[DER SPIEGEL] How long can the system still survive?

[Sanchez] Two weeks before Ceausescu's fall in Romania no one would have dared to predict a change. I think that the change will happen in the medium term, in one to three years. But no one can predict it; it might happen tomorrow for a very simple reason: Like Ceausescu's Romania this system depends on one single factor, which is very unstable. If Castro falls, everything will collapse. There is no number two or three or four. Unfortunately, the president seems to assume that he is not prone to any risks.

Haiti

Benoit Seeks Embargo Reversal, Recognition

FL2907182692 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 29 Jul 92

[Text] Haitian Minister of Foreign Affairs Francois Benoit is on a special mission to the United States within the scope of the steps being taken by the consensus government to have the embargo lifted and the government recognized on an international plane. Let us recall that head of government Marc Louis Bazin told THE MIAMI HERALD that he will not negotiate with Father Aristide if the OAS does not lift the embargo it voted against Haiti on 8 October 1991.

Senate Debates 'Presidential Vacuum' Issue

FL2907173592 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 29 Jul 92

[Passages within quotation marks in French]

[Excerpts] A senate session on 28 July featured a debate on the government and the 29 March [1987] Constitution. This theme gave rise to numerous comments yesterday at the Legislative Palace. Some senators such as Rony Mondestin, Clark Parent, and others raised the question of presidential vacuum, while the prime minister commits acts not in compliance with the country's constitution.

If the prime minister dies or has a problem, who leads the country? This was the question asked by Senator Mondestin in inviting his colleagues to assume their responsibilities in view of the danger that threatens the

country. According to Sen. Art Austin, it is necessary to find an answer to this question because he does not think the Senate should wait until the problem arises before determining what should be done.

[Begin recording] [Austin] [passage omitted] The Senate should have at least a plan explaining what we would do. "What is the answer to this question, Mr. President?" I believe the question is serious. I believe it is our responsibility—as we say it is up to the Senate to decide—to decide what to do. What are our plans? Precisely what do we plan to do in the event that—though we do not wish it—what Sen. Mondestin ... [changes thought] If a prime minister dies, what do we do?

[Reporter] Some senators, such as Thomas Eddy Dupiton and Julio Larosiliere, find the timing inappropriate for senators to be divided on this question because in their opinion, all senators are responsible for this situation.

[Dupiton] We will say it so the people can hear: If Aristide is out, it is not my fault, it is not the fault of the Alliance [for Parliamentary Cohesion, consisting of parliamentarians hostile to Aristide and the Lavalas Movement]. It is the fault of the Senate of the Republic, which did not go to the edge to do what it had to do when it inherited its responsibilities. Then why are people pulling strings while accusing a group of being irresponsible? "We are all responsible for the country. We said that we have learned from our misfortunes. We must protect what is to be protected" and we must do so jointly.

[Reporter] Sen. Serge Joseph said it was not possible for him to continue attending the session because he feels the senators should raise the level of the debates so he can feel comfortable. [passage omitted] [end recording]

This is how the situation was yesterday in the Senate where a debate was held on the theme, the government and the 29 March Constitution. A number of senators proposed that the president or the office of the Senate establish a complete government including Prime Minister Marc Bazin because they say they do not see who will lead the country in case anything happens to the prime minister. Some senators proposed that the Senate vote a law on the matter, but no decision could be reached because of divergences among the senators.

Sen. Martinez proposed that the senators work on the concordat that was presented to the prime minister of the Consensus Government. This concordat asks that all representatives elected on 16 December be reinstated in their posts as required by the law.

Alleged Terrorists Released From Prison

FL2907181592 Port-au-Prince Radio Metropole in French 1600 GMT 29 Jul 92

[Text] Twelve of the 19 young people who occupied the Canadian Consulate for several days at the end of last year have been released. The seven others are still incarcerated. Those who have been freed are asking Prime Minister Marc Bazin to reconsider the cases of their detained companions. Carole Pierre, the group's spokesperson, asserts that they are wrongly accused of terrorism. They were simply seeking a better life when they first occupied the Canadian Consulate.

She also states that they were not manhandled during their detention. Those in prison include Jude and Clair-Aimable Duveraint, Joseph Monpremier, Patrick Moise, Madsen Jean-Louis, Joel Archelus, and Michelet Nicolas.

El Salvador

FMLN Guerrilla on Suspended Demobilization

PA2907205692 San Salvador Radio Cadena YSU in Spanish 1800 GMT 29 Jul 92

[Report by Enrique Lemus]

[Text] The Farabundo Marti National Liberation Front [FMLN] on 29 July reaffirmed that the second 20 percent of its troops will not demobilize as long as conditions allowing the reintegration of former guerrilla fighters into civilian life are nonexistent. Boris Gonzalez, member of the guerrilla contingent that started the dismantling of the FMLN military structure on 30 June, said the government has failed to promote the necessary conditions for the survival of former fighters in the places assigned to them after their demobilization.

Gonzalez said that besides the government's neglect there is a possible crisis in the implementation of the peace agreement and this further obstructs the possible demobilization of another 20 percent scheduled for 31 July:

[Begin Gonzalez recording] I say categorically that that is not feasible, not possible at least at this time, for reasons everyone knows, that is, not all conditions for the reintegration of all these people, of all these comrades, into civilian life have been guaranteed [words indistinct] was included in the various reintegration programs.

That is the case, up to now, of the first 20 percent of our troops who demobilized on 30 June. We have noticed that many comrades are even returning to the various military bases of the National Army for Democracy, because the socioeconomic conditions for their reintegration have not been met. It was clear since the signing of the agreements that no one would be left out in the streets. There was even specific talk about six [as heard] programs. A temporary survival program, a program to provide identification cards, education program, and program (?for children) for all the demobilized.

There also are the the land problem, the political situation, and compliance with other agreements that must take place simultaneously, such as the genuine and legal installation of the National Civilian Police and legalization of land of the FMLN political party. Compliance with these commitments has been delayed. Thus, not all conditions for the demobilization of the second group of FMLN combatants exist.

In my capacity as one of the demobilized—I was among the first group to do so, I think the other 20 percent of our comrades scheduled to the demobilized should assess their situation carefully before making a decision on their demobilization, specifically [words indistinct]. [end recording]

[Lemus] The former guerrilla fighter who reported on the inadequate conditions facing the demobilized, downplayed statements by Defense Minister General Rene Emilio Ponce that the FMLN is trying to obstruct their demobilization. Its is not ill will, we are only demanding the socioeconomic conditions that would allow us to survive, Boris Gonzalez added:

[Begin Gonzalez recording] We found no justification for the statements by Gen. Ponce on 28 July. He is seeking unilateral compliance with the agreements. He is virtually pressuring for the demobilization but fails to realize there are prior agreements on the integration of these comrades. No one in the social and political arenas of our country is unaware that a great majority of the FMLN fighters have peasant roots, and thus, they must be guaranteed agricultural work and legalized land.

We also have to take other matters, which directly influence events, into account. For example, many of our comrades entered the revolutionary strife and the war when they were very young. They did not get academic training and their education level is very low. Because of this, they are not well qualified and their integration is difficult. Based on this reality, it is quite clear that educational and economic programs, as well as any other programs that could help, have to be implemented urgently.

In reality, it is not that we lack the political will to carry out this second phase in the demobilization program. The existent conditions, however, clearly indicate the reasons for the obstruction of this process. Just the fact that many of the comrades, who demobilized in the first phase, are returning to our camps makes matters difficult. Undoubtedly, we cannot talk about abstract programs and not implement them in reality. Many people have returned to the camps, not because they lacked the will to demobilize and return to civilian life, but because in the camps they have food and shelter assured; at least until their problems are resolved. We hope these problems will be temporary, that conditions will improve, and that at least the emergency program will be implemented effectively. Once this happens, the people who returned to the camps, as well as the 20 percent who had to demobilize in the second phase, will do so. [end recording]

[Fumes] The demobilization of the second 20 percent of the guerrillas is scheduled for 31 July. The current situation, however, is a serious threat to this process. On 27 July, government, FMLN, and ONUSAL [UN Observers for El Salvador] representatives started to meet. They will attempt to overcome these problems and continue with the agreed peace process.

More on FMLN Suspension

PA2907181492 Hamburg DPA in Spanish 1623 GMT 29 Jul 92

[Text] San Salvador, 29 Jul (DPA)—The Farabundo Marti National Liberation Front (FMLN) announced on 29 July that it will discontinue the scheduled demobilization of its units by the end of the month, arguing that "there are no conditions for the reincorporation of former combatants into civilian life."

Commander Jorge Shafik Handal said: "The peace agreements now are experiencing a more acute crisis than on the previous occasion when the government told the United Nations it would not comply with the agreements." The FMLN General Command said many of its former combatants are returning to their camps under UN supervision because they lack the tools to survive. The guerrillas blamed the government for failing to distribute land as promised, implement financial programs to create development centers, and start classes at the public security academy, thus delaying creation of the National Civil Police.

The FMLN accused U.S. AID of disbursing only part of the $250 million it offered for the country's reconstruction and of favoring the official party and its politicized programs while brushing aside the guerrillas' projects. This prompted the FMLN to send a letter to the U.S. Congress stating that promises of peace and aid for the FMLN in exchange for their abandoning the armed struggle are not being implemented.

On 30 June the guerrillas demobilized 20 percent of their forces. This amounted to about 1,800 combatants surrendering their weapons at 15 concentration points the insurgency maintains throughout the country. This was the result of an agreement with the United Nations to force the government to dissolve the fraticidal security corps, National Guard, and Treasury Police, which were kept intact. Another 20 percent of the total guerrilla army membership was scheduled to demobilize by the end of the month, but the guerrilla leaders are refusing to comply with this because the agreements are not advancing in the economic sense because, among other reasons, "the economic consensus forum" has not been installed yet owing to the opposition of the private sector, "which we cannot force," to comply, as President Cristiani argued.

The FMLN added that the government is doing nothing to review more than 100 properties, the owners of which are willing to sell, which already could have been distributed among former combatants. Not one deed has yet been given to the former guerrillas. The FMLN argues that the Armed Forces have erected "smokescreens," such as its demand that new weapons be surrendered, the claim that weapons are entering the country or that neighboring countries are being supplied with weapons, and the claim that the guerrillas have "squads" when the only existing squads are inside the Armed Forces.

According to the pacts, the FMLN's legalization as a party should have been approved already through reforms to the electoral law. The FMLN says the fact that this has not yet been done is another reason for its decision not to demobilize a second 20 percent of its forces by the end of July.

"The guerrillas cannot give everything while the government only receives the guerrilla actions with satisfaction, but does not do its part," rebel leaders said, reminding President Cristiani of his own words: "Nothing is free here; everything here has a price." The leftists maintain that the military's only dream is to see the guerrillas disarmed because the Armed Forces were unable to achieve this objective in 12 years, despite millions in aid from the United States. Leonel Gonzalez, one of the top five FMLN commanders, said that today more than ever "it is necessary to struggle to enforce the agreements and avoid a new crisis."

For its part, the government has accused the FMLN of utilizing groundless arguments, alleging that some delays have been caused primarily by the guerrillas' failure to present specific programs.

Cristiani Maintains Deadline

PA3007043292 San Salvador Canal Doce Television in Spanish 0300 GMT 30 Jul 92

[Text] President Alfredo Cristiani said on his arrival on 29 July at Comalapa Airport, that his government, in spite of interruptions, maintains 31 October as the date for compliance with the peace agreements.

During a news conference the chief of state said the peace process has suffered delays from the beginning and that one must be careful before describing these delays as a crises. Cristiani said the delays have not been a result of lack of will, but a result of lack of resources and of the absence of the Farabundo Marti National Liberation Front [FMLN] from important meetings where programs for the reinsertion of some of its members into the country's productive and civil life were to be discussed.

[Begin Cristiani recording] Our position is not to move the 31 October deadline. We can readjust some situations, as we did at the end of June, but the 31 October deadline cannot be moved, from our point of view. [end recording]

The government and the FMLN have met in recent hours with the UN Observers for El Salvador to give more weight to the agreements. The president said the FMLN has not provided specific data that would allow the government to have an idea as to how many of its members will benefit from the various programs.

[Begin Cristiani recording] The FMLN should think carefully. It says on one hand that it will not be demobilized, but on the other it is demanding its incorporation as a political party. Here there is a contradiction. To be a political party in our country, one has to be an unarmed group. I believe that they have to look at this more seriously and not speak of crisis whenever there is a delay. [end recording]

In commenting on his participation in the Ibero-American Summit, Cristiani said that the participant countries approved a fund to support the Indian communities of Latin America and a social security fund, which will permit balanced social measures.

Free El Salvador Movement on 'Trap' for Army

PA2907232792 San Salvador EL MUNDO in Spanish 28 Jul 92 p 13

[Paid advertisement from the Free El Salvador Civic Movement; no date given]

[Text] Salvadorans, have you ever asked yourself:

1. Why is it that only the Armed Forces FULFILL "The Agreements," and the FMLN [Farabundo Marti National Liberation Front] does not?

—Have the Armed Forces fallen into a trap?

Are you aware of the fact that without the Armed Forces there is no other political option than the FMLN terrorists?

2. Are the Army officers aware of the fact that the Ad Hoc Commission and the Commission of Truth were formed to destroy the Armed Forces?

3. Manuel Jose Arce said: "the Army will live as long as the Republic lives."

Will the Republic survive without the Armed Forces?

4. How come the terrorists, confessed murderers, and destroyers of the national infrastructure are not in jail or being processed?

5. Will "The Commission of Truth" try those responsible for terrorism, kidnappings, murders, massacres, car bombs, rapes, amputations, robberies, fires, destruction, etc., etc., etc., or just the members of the Armed Forces who carried out their constitutional mission of defending their people from the terrorist aggression?

Always remember: The Chapultepec Agreements have no legal validity because "they are not laws of the Republic."

With faith in God and respect for the law, we can still save "El Salvador."

[Signed] Free El Salvador Civic Movement [Movimiento Civico El Salvador Libre]

Guatemala

Government, URNG To Resume Talks in Mexico

PA2907231192 Madrid EFE in Spanish 2124 GMT 29 Jul 92

[Text] Mexico City, 29 Jul (EFE)—The Guatemalan Government and guerrilla groups will resume their peace talks, suspended in February, next week in the Mexican capital, a Guatemalan National Revolutionary Unity (URNG) spokesman reported on 29 July.

"The meeting could possibly start early next week in Mexico City," stated Luis Becker Guzman, member of the URNG's political-diplomatic commission.

Bishop Rodolfo Quezada Toruno, conciliator of the negotiation process, announced on 15 July the resumption of meetings between government and URNG representatives early in August.

Peace talks began in April 1991 and their aim is to end an undeclared civil war which has left 100,000 dead, 40,000 missing, and 1 million displaced people in 30 years.

Next week's meeting, the first since the process was suspended on 24 February, will study three substantial points the URNG considers "more problematic," Becker said.

"First, continue the debate on human rights issues; second, discuss and reach an agreement on the form and mechanisms for participation by Guatemalan social groups; and third, find the way to continue the discussion of all the topics," he indicated.

Referring to the second point, Becker said: "In our opinion, the social groups in Guatemala are the purpose of the negotiations, therefore, they must participate in them. This is the URNG's position."

The URNG—formed by the Poor People's Guerrilla Army, Rebel Armed Forces, Guatemalan Labor Party, and Revolutionary Organization of the People in Arms—"is willing to meet every other week," he added.

The guerrilla leader said the URNG considers "the negotiation process a serious and profound matter with historical connotations, therefore, we do not want to create false expectations."

"We hope President Jorge Serrano's interest will be expressed during the negotiations by showing political will and a negotiation capability that allows us to reach agreements to accelerate the negotiation process and achieve specific results," he added.

Becker said the URNG hopes to achieve peace "as soon as possible" but it depends on "the achievement of political agreements that help attain a solution to our national crisis and the search for the causes of the conflict."

"We hope this is done quickly, but it is up to the government's political will and flexibility. We have shown it and we are also capable of achieving progress—and we hope they will correspond in this sense."

The new round of talks will include the participation of URNG directorate members, political-diplomatic commission, and two advisers, stated Becker—who preferred not to name the negotiators.

Nicaragua

Presidency Issues Communique on Student Protests

PA3007022992 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 29 Jul 92

[Communique issued by the Presidency Information and Press Directorate in Managua on 28 July]

[Text] The Presidency Information and Press Directorate informs the citizenry that the installations of Radio Nicaragua and Channel Six Television were taken over on 28 July by a group of young students. These students have been manipulated by reports of alleged official censorship.

This information was fabricated to confuse citizens and to justify these previously planned and coordinated acts.

These incidents interfere with the tranquil atmosphere Nicaragua needs to set out on its path toward development. These incidents curtail freedom of press and information, discourage productive investment, destabilize the economy, and promote chaos and anarchy.

In accordance with last week's decision, the government of the Republic will act with firmness to guarantee peace and public order.

[Issued] Managua, 28 July 1992

[Signed] Presidency Information and Press Directorate

Daniel Ortega Sends 26 Jul Message to Castro

PA2907212292 Managua BARRICADA in Spanish 28 Jul 92 p 5

["Message" from Daniel Ortega, secretary general of the Sandinist National Liberation Front, to Cuban President Fidel Castro on occasion of the 39th anniversary of the attack on the Moncada Barracks on 26 July]

[Text] On the commemoration of the 39th anniversary of the seizure of the Moncada Barracks, I want to express to you and the Cuban people the solidarity and confidence that once again the Cuban people will defeat the harassment and blockade of the U.S. rulers.

The Nicaraguan people, who have received the generous solidarity of the Cuban people, today struggle and resist the outrages of a common enemy that is trying to destroy the revolutionary achievements and fighting spirit of Sandino's people.

Comrade Fidel, we are aware that the greatest solidarity we can give Cuba is to defend the Sandinist revolution's transformations against the brutal capitalism which, with its neoliberal proposals, is trying to reject any revolutionary social option.

The hierarchs of neoliberalism want to make us believe that the option of socialism has lost its historic basis and that there is no other path than to kneel before the golden calf. However, reality shows otherwise and the people, in their wisdom, know that changes must be made and that for this purpose, they must struggle against capitalist oppression and build a truly just, free, and democratic society.

In our country today, we promote solidarity, through pencils and notebooks, but we are aware that the children, youths, and people of Cuba have the basic services of health, education, and food guaranteed to be able to survive, sharing their bread, including scholarships for thousands of youths from Nicaragua and other countries of Asia, Africa, and Latin America. [sentence as published] Meanwhile, in our countries the neoliberal doctrine promotes selfishness, individualism, the "everyone for himself" attitude, and the law of the jungle. This denies the majority of the people the right to education and food.

From Nicaragua, we Sandinists confirm once again our solidarity with the Cuban people and we join the worldwide clamor so that once and for all the world's imperialists will leave the heroic Cuban people alone. The heroic Cuban people have been able to survive more than 33 years of aggressions.

Let the right to life and the human rights of the Cuban people be respected once and for all. These rights are denied by the genocidal policy of the U.S. rulers.

Fraternally,
[Signed] Daniel Ortega Saavedra

* Cuban Medical Assistance Praised

92CA0186D Managua EL NUEVO DIARIO in Spanish 23 Jun 92 p 4

[Commentary by Francisco Hernandez Segura]

[Text] Neither the people nor the Communist Party nor the Government of Cuba has ever thought of telling the government or people of Nicaragua how to regulate their sociopolitical life in exchange for the valuable material, cultural, and health-care assistance that Cuba has been providing us.

This is because of the great respect that the builders of socialist society in Cuba have for national sovereignty and the principle of self-determination of nations.

Thousands of young people in Nicaragua have learned how to read and write thanks to the fraternal assistance of Cuban educators, who in supporting our literacy drive have even shed Cuban blood on Nicaraguan soil....

Thousands of mothers, children, and youngsters are smiling today because of the timely and patient assistance that they have received and are receiving from Cuban physicians within our borders.

This multifaceted cooperation has been invaluable and has included the clothing and food that thousands of

families along our Atlantic coast have received from Cubans who have been extraordinary ambassadors of brotherhood.

A brigade of 15 of these ambassadors, including physicians in various specialties, has been in the vicinity of Cerro Negro since 4 May and as of mid-June has done more than 5,000 medical examinations among the people injured by the eruption of the huge peak this past April.

Thousands of young people have been trained in educational centers in Cuba. Thousands are still there (in spite of the straitened economic circumstances facing Cuba as a result of the criminal trade blockade that the United States has imposed for 33 years running), studying in various cities around the island of freedom, where they receive room and board, clothing, and in more than a few cases, what is even more valuable: unmistakable, unwavering human warmth.

As part of Cuba's wide-ranging assistance to the Nicaragua people for 12 years running, thousands of citizens of this land of lakes and volcanoes have gone and are going to Cuba to regain their lost health. Men, women, children, young people, the elderly, and disabled war veterans have all flown in Cubana de Aviacion aircraft.

When Cuba's fraternal assistance to Nicaraguans is viewed in all its dimensions, it is extremely difficult to explain the coolness (indifference would be a better word) that the government of Mrs. Violeta Barrios has shown towards the announcement that Cuban flights to Nicaragua will be suspended.

Cubana de Aviacion is having financial difficulties because its flights to our country have been posting mounting dollar losses. In a bid to cope with this crisis, the Cubans tried to get the Nicaraguan Government to provide fuel for the Cubana de Aviacion plane or planes that fly to Nicaragua.

These aircraft fly in and out with Nicaraguan patients or youngsters returning home after completing their studies.

In light of this situation, the thousands of Nicaraguans who have benefited from Cuban brotherhood must as a group demand that President Violeta Barrios go and see an ear doctor. He could be a Cuban. There must be one in the foothills of the Cerro Negro. After appropriate treatment, the chief executive might just be able to hear the demands of reason and justice.

* Increased Trade With Germany Reported

92CA0186G Managua LA PRENSA in Spanish 25 Jun 92 p 10

[Text] After several years of meager trade, Nicaragua and Germany are importing more of each other's goods. This is reflected in the weekly arrival of a merchandise-laden German ship at Nicaraguan ports.

The same thing is taking place, albeit to a lesser degree, when Nicaragua ships coffee and bananas to German ports. The officials of the Nicaraguan-German Chamber of Industry and Commerce, which serves some 70 members, are congratulating themselves over this development.

After relations were reestablished between the two nations, machinery, electrical equipment, and chemicals, among other goods, returned to the Nicaraguan market, thanks to the actions of the chamber as the liaison between Nicaraguan and German firms.

This has also enabled various German companies to offer Nicaraguan businessmen a wide range of goods, from huge tractors to diet products and cosmetics.

Others are selling electric razors, pharmaceuticals, chemicals, industrial plants, cars, household electronics, technology for greenhouses and ornamental-plant growing, and diesel engines capable of putting out between 5 and 37 megawatts of power.

The school system is also being helped by the resumption of relations, one example being the project to set up a Nicaraguan-German professional training center to be run by Inatec [National Technology Institute]. At this center, which will serve an as yet undetermined number of students, Nicaraguan youngsters will be able to receive training in automotive, electrical, and industrial mechanics, civil engineering, and carpentry, among others. The programs will last three years, two of study and one of practical training.

* Coffee Exports to Japan Reestablished

92CA0186E Managua LA PRENSA in Spanish 15 Jun 92 p 2

[Report by Maria Elena Palacios]

[Text] The executive president of the National Coffee Commission (Concafe), David Robleto, asserted today that the production of Nicaraguan coffee has started to expand and that it is regaining its traditional quality; this has made possible the reopening of the Japanese market after a 12-year hiatus.

In spite of the problems that coffee growers faced during the 1991-92 harvest, nationwide coffee production was most recently reported at 1,030,000 quintals gross, up 70 percent from the previous harvest (1990-91).

Robleto contended that coffee growers continue to suffer from a lack of ready financing and high production costs. These problems are compounded by instability in the countryside and the uncertainty surrounding future world coffee prices.

He added that even though the Plan To Renovate Coffee Plantations provides loans for 7,500 manzanas, there are at least 17,000 registered manzanas that will not receive long-term loans.

"Financing is one of the stumbling blocks facing coffee growers. We know that there are external factors preventing a solution owing to the lack of fresh funding for agricultural development," he indicated.

Nicaragua has entered the Japanese coffee market. According to Robleto, 1 percent of our exportable production will go to Japan this year, and the hope is that exports will rise in the years to come.

He remarked that Japan is one of the most demanding markets in the world. "We have sent samples of our quality, and there has already been official acceptance. As a result, we have received offers from the Tomen Corporation and the Mitsubishi Corporation," he said.

World coffee prices have not begun to recover yet. Robleto said that the price problem could persist in the 1992-93 crop year unless a positive accord is reached at the meeting of the International Coffee Organization (OIC) this coming 22 June.

All of the world's producing countries have agreed to propose a system of universal quotas with economic clauses to the OIC. According to Robleto, however, the world coffee industry has erected obstacles to the implementation of this system.

"We think that unless an accord favorable to the producing countries is reached, the big loser in this case will be the coffee industry because many countries will cut production to put upward pressure on prices," he said.

Panama

Report Notes Plot Against PTJ Deputy Director

PA2907215192 Panama City EL PANAMA AMERICA in Spanish 29 Jul 92 p 1A

[Report by Orlando Mendieta C.]

[Text] Two paid Colombian assassins are in Panama to murder Carlos Landero, deputy director of the Judicial Technical Police [PTJ], in retaliation for the confiscation of 5,174 kg of cocaine belonging to the Cali Cartel from the Celeste Internacional business premises.

An intelligence report to which EL PANAMA AMERICA gained access, discloses that the Colombian assassins arrived in Panama last week and are lodged in a local hotel together with a Panamanian citizen who serves as liaison to execute the plan.

The intelligence report identifies one of the assassins by the nickname "El Antioqueno" and with the surnames Hernandez Martinez. The report also indicates that the Panamanian citizen has a drug trafficking record in Colon since 1987.

According to the report, the Colombians study the videos of the authorities' operation against Celeste Internacional and pay for information on the PTJ deputy director's whereabouts.

The plan to eliminate Landero was confirmed by people who are under arrest for drug related crimes, the reports states.

The report adds that the authorities will carry out operations over the next few days to try and locate and arrest these persons who move between the cities of Panama and Colon.

Inspector Landero headed the operation to confiscate 5,174 kg of cocaine worth approximately $180 million from Celeste Internacional, located in the Free Zone. In addition it was Landero who reported that the Free Zone was being used for drug trafficking.

According to the report, Landero received threats previously when he was chief of operations and when he was PTJ-DEA liaison. On both occasions the threats were made by Colombians.

EL PANAMA AMERICA tried to interview Landero about this case, but he refused to discuss the matter. It has been determined, however, that both Landero and [PTJ Director] Jaime Abad have doubled the number of their bodyguards.

Explosion at Finance Ministry Building

PA3007050592 Panama City ACAN in Spanish 0438 GMT 30 Jul 92

[Text] Panama City, 29 Jul (ACAN-EFE)—An explosive device exploded on 29 July in the Finance and Treasury Ministry building in this capital. No one was injured but there was property damage, ACAN-EFE correspondents have established.

National Police Chief Oswaldo Fernandez has been at the site of the explosion but has not commented on the attack. Special agents are checking the building in this capital's central Peru Avenue.

According to witnesses, the explosion took place at approximately 2210 (0310 GMT). No criminal organization has claimed credit for the explosion.

News sources recalled the police authorities are investigating the possible presence in Panama of Colombian drug cartels' henchmen, who have been dealt strong blows in the past few weeks by the seizure by Customs officials of almost six tons of cocaine. The Customs Directorate is an entity of the Finance and Treasury Ministry, which is why nobody is ruling out that this attack may be meant to intimidate Customs officials, according to a source close to the investigations.

Patriotic Front Responsibile

PA3007135392 Panama City LA PRENSA in Spanish 30 Jul 92 p 1

[Article by Manuel Alvarez C.]

[Text] An explosive device was detonated at 2230 on 29 July just two meters from the Tax Collection Office of the

Finance Ministry, breaking some of the windows. Although there were no casualties, the explosion frightened the people who were in the vicinity, police sources reported.

National Police Director Oswaldo Rodriguez and Customs Director Rodrigo Arosemena went to the area, while some 10 members of the Police Investigations Department checked out the surrounding area and the inside of the Tax Collection Office.

At about 2330 on 29 July, Radio Mia received a telephone call from a person who said the attack had been carried out by an alleged "Sovereign Panama Patriotic Front" [Frente Patriotico Panama Soberana] that will carry out "other attacks against President Endara's administration."

The attack took place just a few hours before the 11th anniversary of the death of General Omar Torrijos who in 1968 initiated the military regime that was dismantled on 20 December 1989 by the U.S. invasion.

A resident from 36th Street and Peru Avenue told LA PRENSA that the noise "was so loud that I was very scared," while another person who was at the Porras Plaza said that when he heard the explosion "I thought it was an RPG rocket."

The National Police director said that "apparently a person who was on foot threw an explosive device or a non-concussion grenade against the collection office, causing little damage to the exterior of the building, and none inside."

Argentina

'Purge' in Border Police High Command Reported

PY2807223892

[Editorial Report] Buenos Aires LA PRENSA in Spanish in its 25 July issue carries on page 5 a 660-word article entitled: "A Purge in the National Border Police High Command." The article discusses changes in the high command after an attack against Commander Roberto Villalba, Border Police National Director Jorge Suerz' assistant, and mentions "internal problems" as a reason.

The article says that Suerz "appointed Commander General Juan Medina as operations director (the third in command at the National Border Police), replacing Commander General Guillermo Echague, who asked for retirement."

The article adds: "Suerz also appointed Commander Major Carlos Bruno Gonzalez Patino, who was acting as National Border Police secretary general, as intelligence director, replacing Commander Major Jose Tabossi, who was placed on the availability list following his sudden removal from his post."

The article says: "Suerz also appointed Commander Major Juan Medina as National Border Police College director, replacing Commander Major Hugo Greca, who also was placed on the availability list."

The article then says that Suerz reported on accounting irregularities at the National Border Police College that will be investigated by the courts.

Later, the article says: "Commander Major Armando Iuvale was appointed as secretary general. Commander Major Huberto Sequin was appointed finance director. Commander Major Enrique Marino was appointed as National Border Police Institutes chief of staff. Commander Major Ramon Espindola was appointed as Fourth Region (headquartered in La Pampa Province) chief."

Suerz says in the article that he wanted to make these changes when he took over and that some men were removed for "a lack of personality."

In the article, Suerz says: "This year so far, some men have not given to the institution the impetus required by the national director with respect to the antinarcotics struggle, contraband, and other activities."

In conclusion, Suerz says that National Border Police intelligence agents must be posted to border areas and that the attack against his assistant is being investigated.

* PJ's Presidential Reelection Strategy Assailed

* Dangerous Strategy

92SM0508A Buenos Aires LA PRENSA in Spanish 21 Jun 92 p 9

[Report by Sergio Crivelli: "Triple Danger"]

[Text] The government is suffering from a severe case of "third year itch." It knows that if the constitutional reform problem is not settled before December 1992, Carlos Menem's reelection plans will enter a twilight zone.

Under these circumstances, it also realizes that its present contacts in special interest groups will begin to look elsewhere for a possible successor for the president. That happened to Raul Alfonsin in 1986. When those who had until then enjoyed their proximity to the president realized that the Radical leader was not going to be reelected, they began to distance themselves from him and his people.

The tribulations of the UCR [Radical Civic Union] government began at that time, with concessions to the unions, the collapse of the economy, and finally, the election debacles in 1987 and in 1989.

So that none of that will happen to him, Carlos Menem has begun a strong reelection offensive, but right now the cure seems worse than the disease. Why? Because it exposes him to a triple danger: 1) dividing society; 2) worsening the administration's never-ending internal struggles; and 3) precipitating a state of ungovernability during the delicate process of economic transformation, which is still not sufficiently well consolidated.

The threat of social division is still latent, but it is rearing its head in unfortunate episodes like the one last week involving the president's brother. Eduardo Menem stated publicly that not allowing Carlos Menem to be reelected was equivalent to proscribing him, as happened to Juan Peron between 1955 and 1973.

In addition to being false, that remark was disturbing because it followed the following reasoning: A person who opposes the reform wants to proscribe the current president and take away his political rights. Actually, a well-known message was being passed along covertly: Whoever does not support Menem is against him, leaving no room for any other alternative.

That strategy is not new. The friend-or-foe dialectic erases plurality. It has historically been used by those with a total concept of power. It promotes polarization and often leads to clashes like those Argentine society has known at first hand, through its own painful experience.

Eduardo Menem's message, which was poorly received even inside government circles, was not by any means the only one sent in recent days by spokespersons for Menemism. A Cordoban deputy warned about an

alleged conspiracy against the president, and the Argentine ambassador to UNESCO said that people were trying to keep Carlos Menem from lasting as chief of state until 1995. He also arrogantly attacked the press for echoing reports of corruption in high government circles.

Duhalde Retracts

And this is not the only short circuit caused by the no-holds-barred official attempt to get Carlos Menem reelected. It has also muddied the waters of internal party power struggles. A clash took place with Eduardo Duhalde, who, while traveling abroad, imprudently said publicly that he is not barred by the Constitution from being a presidential candidate in 1995.

Duhalde's statements caused commotion around the president, which was reported to the Buenos Aires governor by his staff via fax. They told him that the people working against him were in the Ministry of the Interior and the Secretariat of the Presidency. They advised him to issue a clarification or to try to talk over the matter with Menem by telephone.

Duhalde apparently ignored the suggestion, and last Monday he met with an unpleasant surprise: a paper published in the capital announced the publication of a book that "was disturbing" to the government. It was about him and dealt with the thorny issue of drug trafficking. Its author, his advisers were able to determine, was a reporter with political ties to [Interior] Minister Manzano. Duhalde immediately issued a statement indicating that he had no intention of being a candidate in 1995, and then the conflict cooled down. For the time being.

Duhalde has been working on his own plans for some time. He is trying to keep his distance from the presidential entourage, where the "Blues"—or what is left of them—view him with suspicion. He is the only government leader with his own political apparatus. He made that clear once again at the beginning of the month in Lanus, when he organized a ceremony paralleling what the Menemists were doing in Cosquin to promote constitutional reform.

Strictly speaking, Duhalde and his people want not to be confused with the Bauza people, the Arias supporters, or with Eduardo Menem's group. They want to demonstrate that they have their own powerful structure in Buenos Aires Peronism with a great mobilizing capacity. This has awakened suspicions in the palace circle, fueled by the difficulties facing the president's reelection, which those surrounding Menem are trying to bring off "in a race against the clock and against betrayals."

To heighten tensions even more, during last few days a statement of support was released for Jose Octavio Bordon, proposing him as the PJ [Justicialist Party] presidential candidate in 1995. Spokespeople for the former Mendoza governor urged him to disavow that overly hasty move by his people, but everyone knows that he does hope to reach the Casa Rosada in three years. And he is not the only one. Carlos Grosso also wants to run, and he is not one to indulge in wishful thinking, even though he has suffered great political damage while in the Buenos Aires government.

Heading in the opposite direction from those movements is Minister of the Economy Domingo Cavallo. Between March and April his relations with the Menemists had grown extremely tense because of his presidential ambitions. He has lowered his political profile, even coming out in support of the constitutional reform in order to dispel any suspicions. Still, along with Eduardo Duhalde, he is one of the members of the current administration with the best chances of heading the PJ slate in 1995 if the reform drive should fail.

Troubles in Congress

Another of the reelection crusade's undesired effects has been making parliamentary handling of government bills increasingly difficult—to the point that last week a sort of "de facto" congressional recess until July was proposed because of the problems that some bills that are vital for the executive are encountering.

At the Casa Rosada, the explanation offered was that the senatorial election in the capital had altered the climate of coexistence in Congress, and Minister Cavallo complained bitterly about the "cheap politicking" hurting his bills. But the responsibility for that does not lie with the opposition. The blame lies within the administration itself, which dominates both chambers.

The privatization of YPF [Government Oil Deposits], for example, has not gotten out of the Senate—where the Peronists even have their own quorum—because the government bloc does not want it. And the social security reform was held up in the Chamber of Deputies because legislators from the union movement were putting pressure on the executive branch in order to get some concessions.

Apparently those concessions were made, and the unionists have now released a bill that will affect the lives of all the Argentine people if it manages to make it through the two wings of Congress. It could not be determined with certainty what the Menem administration had to concede to the unionists so that they would not mutilate the social security reform, but it was made clear that through an agreement with the union leaders, the "transformation" bill being promoted by the Menem administration will not be going anywhere.

* Menem's 'Proscription'

92SM0508B Buenos Aires LA PRENSA in Spanish 20 Jun 92 p 9

[Report by Leopoldo Bravo, national senator from San Juan]

[Text] Perhaps it is in politics that words carry their most explosive charge. Apparently inoffensive terms can

quickly blow up in the faces of those who use them as a banner, prepared to kill or be killed for them.

In our land we have had some examples very close to these insane attitudes, so we must be alert to avoid their repetition in the future.

Going even further, I would say that we politicians have an obligation to play a role in this sensitive issue by sincerely helping to calm people's minds.

Therefore, it came as quite a surprise to learn that one of the president's major political operatives had tossed into the arena of the constitutional reform debate an alleged and undesired 'proscription' of Dr. Carlos Menem.

The term, as harsh as it was surprising, has for the Argentine people, and particularly for Peronists, a resonance from the past, from days fortunately long gone, when there were cruel clashes and much blood was shed.

The well-known electoral proscriptions of Peronism—which among other things made Illia's victory in 1963 possible—colored political life for almost 20 years after Peron's overthrow in 1955. Today it is clear that no one, neither those who suffered proscription, nor those who were its occasional beneficiaries, wants to go back to that.

Reform and Reelection

If that is so, and nobody is now thinking of such irritating exclusions, why are some politicians talking about Carlos Menem's proscription?

Two issues are involved here. First, the issue of the reform in itself, which of course does not bother those so-called jurists of Peronism. In this issue, trivial proposals are mixed with others of greater impact, but in essence they tend to mask the true purpose of the reform, which is to alter the presidential term, with the consequent possibility of reelection.

And that is precisely the second issue. Even though they are very closely connected, these are successive, not simultaneous issues. It is one thing to discuss the merits of the reform and something else, if the reform is accepted, to think about Menem's possible reelection.

This issue could be precisely defined and clarified if the president were to state that his interest in the reform goes beyond his own possible reelection. To do so, he would have to—as he really should—comply with the Constitution he has sworn to uphold, which clearly states that his presidential term is six years and that he cannot be reelected without an interval of one term.

A Low Blow

In other words, maintaining—as a Justicialist jurist has done—that complying with the Constitution is equivalent to proscribing Menem simply does not hold water. It is a low blow, both legally and politically.

Legally, it is clear that if every law governs in the future—because lack of legal retroactivity is a principle accepted in legislation all over the world—a possible amending of the Constitution in relation to the presidential term would have to take effect at the end of Menem's current term.

It is worthwhile to note that a president elected under one constitutional provision could not be harmed or benefitted by an eventual amendment of that text. This is no proscription, but only an inient to comply with the Constitution and respecting the Constitution gives legitimacy to the present government.

In addition, in purely political terms, there is nothing and no one stopping Dr. Menem from completing the term to which he was elected by the majority of the people and then returning to run as a candidate after the interval of one term as indicated by the Constitution. Where is there any such proscription here?

A Dangerous Course

In reality, the poverty of the legal arguments advanced to arouse the people's enthusiasm for constitutional reform can escape no one. Peronism is now taking the offensive with another, less rational sort of argument, but one that is politically more spectacular. If the people will not support a reform that they find unnecessary, they can at least be stirred by the injustice of proscription. That is the issue. Now that the legal and rational attempt has failed, they are taking the shortcut of resentment and fear.

This is a dangerous course some of the president's people have taken. They have no right to destroy the climate of civic coexistence that we Argentines have finally developed, by dredging up ghosts from the past that live only in the imagination of those who evoke them.

In essence we are facing a barefaced attempt to bring off the reform by any means necessary. That is why proposals like a plebiscite or complaints about proscription have surfaced.

Even so, the government should not lose its calm or allow any of its people to step out of line.

The dangers go beyond the temporary interests of the party in office. They affect the entire nation. There should be no clumsy attempt to keep Menem in office for a second term, because that could endanger the system for which people have worked so hard.

* Series of Strikes, Social Protests Reported

* Teachers Unions

92SM0510A Buenos Aires LA PRENSA in Spanish 24 Jun 92 p 11

[Text] The Labor Ministry decided last night to declare the strike that the nation's teachers are staging illegal. The trade-union status of the groups involved in it could thus be rescinded.

"It is clearly inadmissible to seek negotiations without first ending the strike, all the more so when we bear in mind that under applicable legislation the parties must show good faith in complying with their obligations," the Labor Ministry indicated in the preamble to its decision.

The 48- and 72-hour strikes that began yesterday with a high degree of observance among the teachers, were ordered by the United Trade Union of National Education Workers (SUTEN), the Argentine Teachers Union (UDA), and the Association of Technical Education Teachers (AMET).

The work stoppages by the three main national teachers unions were supported by the United Trade Union of Private Teachers (SADOP), the physical-education teachers from ADEF [Association of Physical Education Teachers], and the teachers in Buenos Aires secondary schools, ADEMYS.

Justification

The Labor Ministry justified the declaration of the strike as "illegal" with the assertion that "the trade-union associations and the personnel represented by them ignored the appeal' and announcement made" by the ministry.

In a lengthy communique, the ministry emphasized that "the unions were expressly called upon by this office to bargain collectively and reach a consensus on the first nationwide teachers joint arbitration board."

The Labor Ministry indicated in this regard that the action taken by the trade unions "invalidates collective bargaining, which is the appropriate vehicle, by removing it from its natural forum, that is to say, the bargaining committees. Even more seriously, this is taking place in an atmosphere in which particular harm is being done to the education of children and young people.

"Although it is true that the national government has always guaranteed the exercise of the right to strike, it is no less true that this right must be exercised within a framework that observes the regulations governing it so as not to cause an unacceptable disruption of the constitutional order, the social peace, and the general welfare," the communique says.

Teachers Went on Strike Yesterday Despite Obligatory Settlement

The first day of the 48- and 72-hour strikes called by several teachers unions in spite of the obligatory settlement that Labor Ministry authorities ordered last night was observed by more than 90 percent of their members yesterday.

As a result of the strikes, the Labor Ministry called off the scheduled meeting between representatives of the unions and the Education Ministry yesterday evening, a union source reported.

Yesterday, SUTEN began the first day of the 72-hour strike called last Saturday. It was joined by SADOP, which has nationwide jurisdiction, ADEMYS (Buenos Aires secondary-school teachers), ADEF (physical-education teachers), and the Argentine Confederation of Teachers and Professors (CAMYP).

Meanwhile, the teachers and professors from the UDA and the AMET also went on strike yesterday and will continue it today.

The unions are demanding that the pay of national, Buenos Aires municipal, and provincial teachers be "automatically" leveled out and that an "urgent" call go out for joint arbitration boards.

Rejections

The other facet of the teacher protest revolves around a widespread rejection of the general education and education-transfer laws, which in the unions' view threaten the survival of free public schooling.

With regard to the general education law, the teachers warned that it does not provide for school financing or compulsory education at all levels.

Thousands of students, teachers, and parents have marched through Buenos Aires streets in the past two weeks under the watchword "in defense of public schools," their final destinations being the National Congress and the Education Ministry.

Last night the Labor Ministry ordered an obligatory settlement of the teachers conflict and told "all trade-union organizations" in the sector to call off the strikes.

It cautioned that if the appeal for a settlement is not heeded, "the corresponding legal sanctions" would be applied. The trade unions reaffirmed that they would stage their strikes, however.

The ministry's order indicated that if the appeal for a settlement is heeded, "the call will go out immediately to establish the bargaining committee for the sector's collective agreement."

The committee "will be made up of representatives of the Education and Culture Ministry, the Secretariat of the Public Function, and the Economy Ministry on behalf of the employers, and all representative trade-union organizations on behalf of organized labor."

The ministry made its decision public just hours after the teachers unions went on strike. Union representatives asserted that the decision had not been communicated officially to union offices, as a result of which they reaffirmed the work stoppages.

The teachers will end their strike with a rally outside the National Congress tomorrow.

Government Measure Rejected

The Confederation of Education Workers of the Argentine Republic (CTERA) and SUTEN have harshly rejected the decision to declare this week's teachers strikes illegal and have reaffirmed their 72-hour strike.

"If the strike has indeed be declared illegal, the declaration is altogether null and void because the Labor Ministry did not comply with the preliminary steps that the law provides for," the SUTEN communique states.

For its part, CTERA rejected the Labor Ministry's decision as "unfounded, arbitrary, and illegal" and expressed its total support "for the striking teachers."

"CTERA guarantees that it will defend unconditionally the rights of education workers in accordance with the law," the communique says.

They also indicated that they would take appropriate legal and union action, "making an express exception of federal action" (appealing to the Supreme Court).

They complained to the International Labor Organization about "the antiunion decision by the authority in question, which violates agreement 154, signed by our country."

* Justice Workers

92SM0510B Buenos Aires LA PRENSA in Spanish 24 Jun 92 p 10

[Text] The Supreme Court has rejected the emergency raise requested by justice-system employees as a way of overcoming the sector's wage crisis. The trade union has thus ordered a work stoppage and rally for this coming 1 July.

The court's decision was revealed by trade-union sources shortly after the high court's Tuesday session, on which the Union of Justice Employees of the Nation (UEJN) had pinned its hopes of finding a solution to the conflict.

A general assembly of delegates and the steering committee decided yesterday after two hours of deliberations "to intensify the plan of action with acts of agitation as of today, culminating with a work stoppage starting at 1100 on 1 July along with a rally outside the Palace of Justice."

They also decided "to speak out against the situation besetting justice-system workers to the Congress, the Public Bar Association, and the Justice Ministry, making clear to them and to the entire community the dire consequences that a continuation of such unjust, disadvantaged conditions could have for the normal workings of the justice system."

The assembly postponed a decision on a strike and went into recess until yesterday to wait for a favorable response from the high court.

Given the lack of "solutions from the Supreme Court" in extending the 30 percent raise, the justice-system workers decided "to reject the wage policy as unjust and discriminatory" and to take the same stand on "the budgetary restrictions besetting the judicial branch in general."

They are referring "fundamentally to those restrictions affecting justice-system workers, thus vitiating the decentralized-agency law, with the serious risks that this entails for the independence of the judiciary."

They also denounced "as arbitrary and confiscatory the pay reductions calculated for the strike days staged in 1991."

Moreover, the trade union announced that it would press "the demand for an immediate and just wage settlement that must immediately include an extension of the 30 percent raise to all agents and, over the midterm, the establishment of a just wage schedule for all members of the Judiciary."

For more than a month now the judicial workers have been requesting a leveling out of wages for the lowest categories, inasmuch as judges and officials have received nonpay compensation, thus widening the wage gap.

After the visit that Economy Minister Domingo Cavallo and Justice Minister Leon Arslanian paid last week to the court, the workers demanded an "emergency" raise to be credited against future increases. This was also rejected today owing to a "lack of funds."

Nevertheless, the members of the high court have reportedly pledged to request funds from the Economy Ministry to "address the wage issue and meet the next half-payment of the Christmas bonus."

* Metalworkers Union

92SM0510C Buenos Aires LA PRENSA in Spanish 24 Jun 92 p 10

[Text] Thousands of metalworkers demonstrated yesterday afternoon outside the Congress and the Economy Ministry to demand higher pay as part of a plan of action that yesterday included a 15-hour nationwide work stoppage that was observed en masse.

After the huge protest march the UOM [Metalworkers Union] got the government to promise that the day after tomorrow it would approve the accord reached with the automotive branch.

A column made up of more than 6,000 metalworkers, according to Federal Police estimates, staged a protest shortly after noon in the Square of Congresses and ended their march outside the Economy Ministry.

The UOM thus intensified its campaign for higher pay that began yesterday with a 15-hour nationwide work

stoppage in all of the branches that did not reach accords with employers, that is to say, 23 of the 24 that make up the trade union.

The demonstrators marched from the Congress building along Alsina Street towards Mayo Square, but not before stopping at the campaign headquarters of the ruling-party's candidate for Buenos Aires senator, Avelino Porto, against whom they chanted caustic slogans.

Once they were gathered at Mayo Square, the secretary general of the UOM, Lorenzo Miguel, delivered an impromptu speech, emphasizing that "it seems incredible that today we have to gather here, behind the Government Palace, where there is a representative of national Justicialism whom we have always supported."

Miguel also said that Mayo Square is "a place to which we once used to come to chant merry slogans and thank our government leaders because they were keeping our people happy."

Later the demonstrators arrived at the gates of the Economy Ministry and, standing under the windows of Minister Domingo Cavallo's office, demanded the immediate approval of the wage accord that the automotive branch secured in early May.

Incidents

Some demonstrators said that several objects were hurled at the crowd from inside the ministry, in spite of which there were no incidents.

Miguel justified the presence of the demonstrators outside the ministry, indicating that "on express orders from Minister (Domingo) Cavallo, there is a wage accord with one of our branches that has not been approved."

A union source reported that as a result of the mass demonstration an Economy Ministry official approached Lorenzo Miguel to tell him that the Labor Ministry would approve the accord the day after tomorrow.

It also was learned that the Labor Ministry would speed up the negotiations in the remaining branches, in which the UOM is demanding a 30 percent wage hike, similar to the one agreed on in the automotive branch.

Some three hours into the demonstration Miguel ordered the metalworkers to break up and emphasized in statements to the press that "this is a triumph for the UOM that henceforth will enable us to reach new wage agreements in the other branches" of the broad metalworkers sector.

* Hospital Workers

92SM0510D Buenos Aires LA PRENSA in Spanish 24 Jun 92 p 10

[Text] There were varying degrees of observance of the 72-hour work stoppage by personnel at the national hospitals that have been transferred to the City of Buenos Aires and to the Provinces of Buenos Aires and Santa Fe in support of the new organizational and functional structures.

The work stoppage was called by the National Civil Service Personnel Union (UPCN), which along with the Association of State Workers is requesting that their pay match that of staff at municipal medical centers.

Although the workers at Santa Lucia National Ophthalmology Hospital are in a state of "permanent alert, mobilization, and assembly, normal services are being provided."

Meanwhile, at Dr. Alejandro Posadas Hospital, UPCN delegate Carlos Murcia asserted that "we are on strike. The staff is working by the rules." He then clarified that staff are on duty in the adult and pediatric emergency-care areas, the coronary unit, and intensive care.

* Economy Ministry Reviews Provincial Adjustments

92SM0513A Buenos Aires CLARIN in Spanish 30 Jun 92 p 25

[Article by Miguel Angel Rouco]

[Text] "A difficult situation, very touchy. Adjustment not begun. Some improvement. The books are in order." Like so many marks entered into a gradebook, this is how the Ministry of Economy evaluated the situation in the provinces, according to a document to which CLARIN gained access (see box).

The document's conclusion is that the adjustment process is moving along very slowly in the provinces compared with what the Ministry of Finance had anticipated, but there is one additional problem: Official banks in the interior will be forced to tighten their belts even further.

"There will be no financial aid for the interior, not even to help them pay their Christmas bonuses," the Ministry of Economy warns. The word is that the provinces will be forced to follow the example of the National Government and make their own adjustments although, as reported elsewhere in this paper, there will be occasional exceptions. Despite the fact that Domingo Cavallo had personally given Governor Bernabe Arnaudo the cold shoulder, an order was issued yesterday to grant a loan to La Rioja Province. A political decision obviously outweighed the opinion of the head of the Ministry of Finance.

The latest bucket of cold water in the midst of an economic winter came at a time when, in addition to having to move forward with the relatively ungratifying task of adjusting provincial economies, local chief officials are having to shoulder the burden of health and education services, which the national government is transferring to them in its budgets.

Financial Situation of Provinces	
Buenos Aires	Complying with adjustments.
Catamarca	Improving very slowly with a highly reduced economy.
Cordoba	Complying with adjustments. Must modify banking.
Corrientes	Difficult; on the brink of collapse. Intervention did not improve things.
Chaco	Difficult picture in an economy hurt by the cotton crisis.
Chubut	Complicated; fear the situation might get worse.
Entre Rios	Slight improvement. Nearly balanced; promising picture.
Formosa	Good improvement. Floods complicated situation.
Jujuy	Difficult situation. Moving toward difficult adjustment in bookkeeping.
La Pampa	Has its books in order.
La Rioja	Difficult and very complicated.
Mendoza	Close to achieving a balance.
Misiones	Improving. Bank deep in the red due to Urugua-I [as published] project.
Neuquen	Improving very rapidly.
Rio Negro	Complicated. Fear the situation may get worse.
Salta	Very delicate. Problems with banking. Underfinanced.
San Juan	Recovering. Double employment eliminated. Trend toward improvement.
San Luis	Books in order.
Santa Cruz	Still very complicated. Has made efforts, but much remains to be done.
Santa Fe	Improving. Will move forward with a few more adjustments.
Santiago del Estero	Well on the way and will soon be in the clear.
Tierra del Fuego	Receives only .38 percent of co-participation. Needs legal sanction.
Tucuman	Improving slowly.

The minister of economy had anticipated that the provinces would have sufficient resources to meet their needs in terms of schools and hospitals. The funds were to be generated by a tax increase, resulting in turn in an increase in the Federal Government's tax contribution. Furthermore, Cavallo was specific about the fact that there would be some $2 billion extra in 1992.

On the heels of this promise from the head of the Ministry of Finance, things changed radically. The national government continued its policy of transferring services to the provinces, but turned off the tap of funds to the interior.

First of all, the PEN [National Executive Branch] unilaterally implemented a law stating that effective 31 March, there would be a 2 percent daily deduction from the provinces' share of their tax allocation. The central government makes the following argument: If the provinces take in additional funds collected by the General Tax Directorate (DGI) as a result of the tax increase, then it is only fair that they help bear the spending required by the DGI's action. The provinces object that such a resolution should be made jointly rather than unilaterally by the PEN in its own interest.

Second, federal officials sent Congress the omnibus law reforming the social security system. The plan includes a measure limiting resources transferred to the provinces via various channels. The official proposal modifies the purpose for which certain taxes collected are to be spent—including the IVA [value-added tax] and tax on profits—thus cutting funds for the interior. But it also limits resources earmarked for the provinces to the total amount stipulated in the budget.

As a result of the plan, the provinces are burdened with more spending (schools and hospitals) and new taxes (meeting DGI expenditures) and have fewer resources due to limitations contained in the omnibus social security law, a far cry from promises made by federal authorities.

Brazil

Collor Building Barrier to Counter Impeachment

PY2907234392 Madrid EFE in Spanish
1859 GMT 29 Jul 92

[By Rafael Candanedo]

[Text] Brasilia, 29 Jul (EFE)—After a frustrated defensive attempt in Congress, which not even his allies could swallow, Brazilian President Fernando Collor is preparing a legal barrier to protect himself from an almost inevitable impeachment.

Consultant General Celio Silva has said that the presidential Planalto Palace will abstain from presenting official documents to the Congressional Investigating Committee (CPI).

Silva based his position, which was made public through a notice, on a constitutional principle that grants the president powers over the federal administration, although it has been officially admitted that it is not possible to refuse to provide the documents requested by Congress, and especially by a CPI, which fulfills judicial functions.

The Planalto Palace strategy will be based on the preservation of Collor's post, under the laws that protect it, in the wake of the serious corruption charges, regardless of the responsibility of either former presidential private secretary Claudio Vieira or businessman Paulo Cesar Farias.

Vieira and Farias, who can be brought to court on charges of extortion and trafficking in influence, have been close assistants to Collor and headed the campaign that took Collor to the presidency in December 1989.

Planalto Palace also will allege that Congress cannot impeach Collor, who is 42, despite having the necessary votes and with the information supplied by the CPI, because this commission was not created for that purpose but for investigating Farias' deals.

"The president may not be cited in the CPI's conclusion. It is necessary to read the Constitution. Now, if there is ammunition for a replacement process, then bring it," Presidential Secretary General Marcos Coimbra—Collor's brother-in-law—challenged congressmen.

In response to a CPI request that Vieira, who is 46, report to Congress tomorrow with 16 new documents, Coimbra replied that Vieira will not take them.

"Everything that was requested was delivered to the CPI, and we do not have to supply any further information. The documents that were presented are conclusive. Everything is there," Coimbra stressed.

While reporting to the CPI on 27 July, Vieira delivered three documents on a $5 million loan that Collor obtained from "Alfa Trading," a Uruguayan financial institution, in 1989. Since then this money allegedly has been used for paying his personal expenses.

Even though Vieira said he was responsible for managing the loan, he did not explain what was done with the money in Brazil. Consequently, Senator Amir Lando, the CPI coordinator, set tomorrow as the deadline for Vieira to provide the information.

In the government sector, the so-called "Uruguay operation" has awakened incredulity.

"It was very well designed," a Liberal Front Party (PFL) lawmaker said. Thus far the PFL, Collor's main political support, has refused to join the opposition parties to request the president's impeachment in the Chamber of Deputies.

The main opposition parties have formally asked the PFL to abandon the government and to support the constitutional dismissal and replacement of Collor by Vice President Itamar Franco, 62.

After meeting with two opposition leaders, Orestes Quercia and Luis Inacio Lula da Silva, Brazilian Social Democracy Party President Tasso Jereissati said the opposition will expand its contacts with the objective of dismissing Collor, even if it means having its adversary, the PFL, as interlocutor.

Da Silva, Quercia, and Jereissati have not ruled out the possibility of talking with Justice Minister Celio Borja and Minister of Government Jorge Bornhausen, who have shown signs of possible dissent.

More on Vieira's Testimony

PY3007033492 Rio de Janeiro O GLOBO in Portuguese 29 Jul 92 p 4

[By Maria Lima]

[Text] Brasilia—President Collor's former private secretary, Claudio Vieira, contradicting the CPI [Congressional Investigating Committee]'s expectations, will no longer submit any document linked to his duty as Collor's account manager. This announcement was made yesterday by Presidency Secretary General Marcos Coimbra, who challenged those who orchestrated the movement intended to impeach Collor to present the evidence they claim to have.

Coimbra, who is in charge of the strategy designed to defend Collor, has announced that Vieira already has submitted to the CPI the documents proving the legality of the operation involving a $5 million loan granted by an Uruguayan financial institution. This loan reportedly was used to cover Mr. and Mrs. Collor's personal expenses.

Coimbra said: Vieira already supplied everything requested by the CPI during his testimony on 23 July. He is not compelled to provide any other information. Everything is included in the documents that were submitted, including the reports on the payment for the Fiat Elba. The CPI, however, has termed these documents insufficient because they do not mention the payment made for Collor's Fiat Elba by Jose Carlos Bomfim, a "ghost" whose signature is used by Paulo Cesar Farias, alias PC.

Coimbra stated that during the first assessment made at Planalto Palace early on 28 July, everyone looked "very tranquil," and was confident that everything would be closed tomorrow with Vieira's new testimony.

Coimbra said: The president's name cannot be mentioned in the report. That is what the Constitution says. If they believe they have evidence for impeachment, they should present it.

Coimbra said the CPI members have the right to check the information that was submitted but warned that they will find nothing that contradicts the documents presented by Vieira.

He emphasized that everything was explained in the documents.

The first evaluation of the results of Vieira's testimony was made yesterday at 0900 at a meeting attended by Coimbra, President Collor, Government Secretariat General Minister Agenor Homem de Carvalho, Justice Minister Celio Borja, and Economy Minister Marcilio Marques Moreira.

Coimbra said: The evaluation was very positive and we believe that on 30 July everything will be closed. His testimony was wise and balanced. All of us are very tranquil.

Suplicy Says Witness Can Disprove Evidence

PY3007004292 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 29 Jul 92

[From the "Congressional Report: The Senate"—live]

[Text] PT [Workers Party] Senator Eduardo Suplicy today introduced secretary Sandra Fernandes de Oliveira to the Senate, saying that she can reveal to the nation the way in which the foreign loan contract for $5 million, which was granted to former presidential private secretary Claudio Vieira, was arranged.

In his last remarks to the CPI [Congressional Investigating Committee] in the PC [Paulo Cesar] Farias case, Vieira said the loan was used for paying the president's personal expenses.

In his speech, Suplicy said that the witness will inform the CPI about a comprehensive negotiation process ordered by ASD [expansion unknown] Emprendimentos e Participacoes, which is owned by Alcides dos Santos Diniz, who is a friend of the president.

Suplicy said the operation was arranged between 15 and 17 July, after the session in which the CPI heard driver Francisco Eriberto Freire Franca. During this session, it was concluded that it was necessary to justify President Collor's large expenses and the expenses of Casa da Dinda.

The senator said that the witness, a former employee of Alcides Diniz, will report to the CPI about the participation in this operation of the (Sprotter, Halac, Apocalypse, and Juka Advocates) law office.

Suplicy said ASD legal director Arsenio Duarte Correia and lawyer (Walder Sarquis Rolac) reportedly came to Brasilia on 14 and 15 July to prepare the loan documents and account operations in several banks.

Based on the remarks by Sandra Oliveira, Suplicy said that the lawyers even worked at Casa da Dinda, the president's house. According to Suplicy, the legal framework for the credit from the Uruguayan institution was designed on that occasion.

He said he was surprised that ASD should have advised the president precisely at a time when it is engaged in a project to build a large hotel in Sao Paulo, a project that has been waiting for the president's opinion for about one month.

Suplicy proposed to CPI coordinator Amir Lando, who was listening to his speech, that Sandra Oliveira be called immediately to a special CPI meeting.

Lando agreed to the proposal and promised to submit it to CPI Chairman Benito Gama.

Secretary Rebuts Testimony

PY3007020292 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 29 Jul 92

[Text] The secretary of a Sao Paulo businessman gave another version of the loan former presidential private secretary Paulo Vieira says he obtained in 1989 in Uruguay.

The secretary said that discussions regarding the $3.75 million contract started two weeks ago in Sao Paulo.

PT [Workers Party] Senator Eduardo Suplicy took the floor in Congress to disclose what Sandra Fernandes de Oliveira told him. The secretary was sitting holding hands with her husband, (Fidelcino Souza Bonfin), in the visitors' gallery.

Suplicy said that Sandra Oliveira made the following charges: The contract with the Alfa Trading Company mentioned by former presidential secretary Claudio Vieira was fake. Sandra Oliveira assured Suplicy that the contract was mounted at the ASD [expansion unknown] Emprendimentos e Participacoes enterprise that belongs to Alcides dos Santos Diniz. According to Suplicy, the secretary asserted that she acted as secretary of the operation. She sent and received faxes with the bank account numbers of Brazil's Garden, she booked night flights to Uruguay by the Lider airline for the attorneys [not further identified], and made and received phone calls to Brasilia and Uruguay.

According to what Suplicy disclosed, the operation started on 14 July and ended with a toast at the ASD after Claudio Vieira testified before the CPI [Congressional Investigating Committee].

CPI coordinator Amir Lando believes this story is important to revealing the truth, but Sandra Oliveiria is 42 years old and in the middle of a high-risk pregnancy. Therefore, the first meetings with her were informal and held in Senator Eduardo Suplicy's office. The secretary reasserted all she had said to federal attorneys (Italo Fioravante) and (Odim Ferreyra).

Manager Confirms Employment

PY3007022892 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 29 Jul 92

[Text] The manager for legal affairs of the ASD [expansion unknown] enterprise for which secretary Sandra Fernandes de Oliveira works has stated that he has held contacts, at a professional level, with former presidential secretary Claudio Vieira.

The ASD enterprise, which belongs to Alcides dos Santos Diniz, operates in the Jardim Europe neighborhood in southern Sao Paulo and was founded in 1988 to administer dos Santos Diniz' businesses.

This afternoon, after Senator Eduardo Suplicy addressed Congress, ASD manager for legal affairs Arsenio Duarte Correia held a brief meeting with the media. He confirmed that Sandra Oliveira, as she disclosed, has worked as a secretary for him and business development manager (Sergio Pascualini) for the past three or four years.

Regarding the charges that the loan granted in Uruguay was a fake deal mounted by the ASD enterprise, Duarte Correia said the enterprise will issue a communique tomorrow, at the latest, regarding this issue. He admitted, however, having held telephone conversations with former presidential secretary Claudio Vieira on a few occasions. He allegedly had even suggested someone who could act as a tax adviser to the former secretary.

[Begin Duarte Correia recording] I mentioned attorney (Sidney Apocalypse) to handle tax issues because he is the same person who works for us.

[Unidentified reporter] Is this the only link you have with him? [recording ends suddenly]

Tests Show Farias' Secretary Signed Checks

PY3007025292 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 29 Jul 92

[Text] Two CPI [Congressional Investigating Committee] deputies in Sao Paulo disclosed the results of a grapho-technical test that compared the signature of Paulo Cesar Farias' secretary.

The test compared documents signed by secretary Rosinete and others by Flavio Mauricio Ramos, one of the "ghosts" revealed by the CPI investigation.

The test results reveal that Rosinete was the person who signed the checks issued by Flavio Mauricio Ramos.

Decidedly, according to the Sao Paulo Police Coroner's Office, the handwriting on the checks issued by Flavio Mauricio Ramos—the main "ghost" the CPI has found so far—is the same handwriting as Paulo Cesar Farias' private secretary Rosinete.

PMDB President on Government's Situation

PY2907215692 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Jul 92 Section 1 p 8

[Interview with Orestes Quercia, Brazilian Democratic Movement Party, PMDB, president, by reporter Carlos Magno in Campinas on 25 July]

[Text] Former Governor Orestes Quercia, who is also the PMDB president, said in Campinas that the Collor government "is going through a very serious crisis that it might not overcome." Quercia said that the CPI [Congressional Investigating Committee] should not propose impeaching the president but announce whether Collor was involved with businessman Paulo Cesar Farias, alias PC. Quercia was in Campinas this weekend to participate in the campaign in support of PMDB mayoral candidate Jose Aristodemo Pinotti.

[Magno] Is there any evidence of President Collor's involvement with Paulo Cesar Farias?

[Quercia] I think so, but we cannot predict any decision to be made by the CPI. A recent press report reveals the president's dramatic situation.

[Magno] Is it up to the CPI to determine the impeachment of the president?

[Quercia] I have learned that the CPI will not deal with the matter of impeachment. The CPI might assess the president's involvement but without clarifying the matter of impeachment. If necessary, the CPI could announce the president's involvement, by assessing the proof, and somebody else will have to request impeachment.

[Magno] Who should determine the impeachment?

[Quercia] If a decision is made on impeachment, it is up to the opposition parties to determine whether parties should make the decision. Then any institution or organization should take the step.

[Magno] Do you agree that more evidence has been raised against the president than against PC?

[Quercia] I don't know. I believe that the president's situation is very difficult. We will have to moderately evaluate the situation because this is a delicate matter for the country. I think it will be impossible not to evaluate the repercussions of the president's involvement.

[Magno] The president has stated that the country is not undergoing any crisis. Do you agree with this position?

[Quercia] Nor does he agree with it. He talked at random.

[Magno] Is the country facing a crisis?

[Quercia] Despite the government's disastrous administration, the country still reacts well.

[Magno] Is this also a political crisis?

[Quercia] Brazil is facing a difficult situation, but the government is undergoing such a serious crisis that it might not overcome it.

Gorbachev Announces Four-Day Visit in November

PY3007031492 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 29 Jul 92

[Text] Former USSR President Mikhail Gorbachev will pay a four-day visit to Brazil on 25 November. During his stay in our country he will visit Brasilia, Rio de Janeiro, Sao Paulo, and the Pantanal.

This exclusive information was granted to Rede Globo's special envoy to Moscow, Paulo Henrique Amorim.

[Begin Amorim recording] President Gorbachev says he is not going to Brazil only to speak, but mainly to listen to what Brazilian and Argentine citizens have to say.

Gorbachev believes that democracy is an irreversible process and, therefore, wants to learn about the experience of Argentines and Brazilians.

Gorbachev said that what Brazil is doing to implement democracy is an example for the entire world. He also said that he is eager to see how the economic stabilization and modernization program is developing in these two countries at the same time as the democratic institutions gain strength.

Gorbachev wants to make two speeches during his stay in Brazil. In one of them he will discuss the role played by the state in a society undergoing a democratization process.

Gorbachev wants to show it is feasible to reduce the state's size without destroying it and to make it more efficient in performing tasks. [end recording]

Chile

Honecker Case Objectives 'Fully Achieved'

PY2907184692 Santiago Radio Chilena Network in Spanish 1700 GMT 29 Jul 92

[Text] The Chilean Government has stated that the results obtained today show that the established objectives and ideas in the Honecker case have been fully achieved.

Foreign Minister Enrique Silva Cimma read an official statement which says that Chile has never disregarded the German capability to prosecute the former communist leader for his criminal behavior.

[Begin Silva Cimma recording] Furthermore, our government has stated from the very beginning that the decision to receive Mr. Honecker as a guest did not imply questioning the prevailing state of law in the Federal Republic of Germany, and that Mr. Honecker would be granted all the necessary guarantees for a legal trial. [end recording]

The statement adds that Honecker had submitted fully to the jurisdiction of Russian officials, who must also comply with the obligation to send him back to Germany.

The foreign minister stressed the government's satisfaction that this case was resolved in accordance with international law. The government also stressed the efforts made to reach a just and worthy solution in accordance with international law, in which the interests of the three countries involved were reconciled.

The work of Special Ambassador James Holger was also stressed.

Government Expresses Satisfaction

PY3007135492 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 30 Jul 92

[Text] The Chilean Government today expressed its satisfaction for having solved the Honecker case through legal channels. The government congratulated Ambassador James Holger for his participation in the negotiations.

[Begin Foreign Minister Enrique Silva Cimma recording] When Erich Honecker left our embassy in Moscow, he was under the full jurisdiction of Russian officials, who will have to comply with the commitment made to the German Government to return him to Germany as soon as possible to be tried for the crimes with which he has been charged. In accordance with its own laws, the Russian Federation has granted Honecker the right to defend himself in accordance with the proposal made by our government, based on international law. This right was exercised by Honecker. [end recording]

Foreign Minister on Honecker Case

PY3007144392 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 30 Jul 92

[Interview with Chilean Foreign Minister Enrique Silva Cimma by correspondent Cecilia Serrano; place not given—live]

[Text] [Serrano] Good evening, Mr. Foreign Minister.

[Silva Cimma] Good evening, Cecilia.

[Serrano] Look, the first thing we would like to ask of you is about what has happened. Since the beginning of the affair, Chile has always conditioned Honecker's departure from our embassy in Moscow on his going through Russian judicial process. What we saw today was that, after a brief stay at the Russian Foreign Ministry, where he delivered a 15-page document—the contents of which we do not know—he was taken directly to Germany to be prosecuted. Mr. Foreign Minister, is this not a defeat for Chilean diplomacy?

[Silva Cimma] No. The confusion is perhaps caused by the fact that the situation that actually occurred has not been well understood. Chile raised several points: first, that the German Government should clearly press charges; second, that the German Government should grant the Russian Government the opportunity for Honecker to be legally extradited, to be prosecuted by Germany; and third, the Russian Government was asked directly to express its position on the request for repatriation submitted by the German Government and to

determine the Russian authority that should hear Mr. Honecker and before which Mr. Honecker should have the right to his defense.

All these conditions were strictly met. Contrary to what you said, no judicial organs have ever been mentioned. It was simply that Mr. Honecker should have a chance to defend himself before an appropriate Russian authority and submit his allegations against the German request for repatriation.

[Serrano] Mr. Foreign Minister, there is, however, the impression that these negotiations were a mere formality, because you said that he was heard but that he had only some minutes to deliver a document.

[Silva Cimma] No, that is inaccurate.

[Serrano] That is the information that has been released to the press. After a few minutes, he was taken directly to Germany....

[Silva Cimma, interrupting] If you will allow me, Cecilia, I will answer your question clearly. There is a mistake here caused by the fact that the expression you used—after a few minutes—was not explained and was not well understood. Mr. Honecker was duly notified by the Russian Government, and he had a chance to deliver his defense to the Russian Government. He delivered it directly to the Russian Foreign Ministry through his lawyers and later in writing. The Russian Foreign Ministry and the Justice Ministry studied Mr. Honecker's defense. The Russian Foreign Ministry, through its legal department, and the Russian Justice Ministry were the appropriate organs designated by the Russian Government to study Mr. Honecker's defense.

[Serrano] Mr. Foreign Minister, it would be interesting, then, to know when Mr. Honecker delivered this document to the Russian Foreign Ministry.

[Silva Cimma] Contrary to what you apparently believe, he did not deliver it while he was being taken to the airport....

[Serrano, interrupting] Well, this is the information that has been released to the press, right?

[Silva Cimma] I do not know who released it, but if the declaration issued by the Foreign Ministry had been carefully listened to, it would have been easily seen that there was a period of time between both events. We made this precise request, and the Chilean request—which was to submit all this to international law—was strictly granted.

[Serrano] Mr. Foreign Minister, there is an opinion, or impression, among Chileans that Germany is nowadays so, so powerful, that, one way or another, it has managed to twist both the Chilean and the Russian Governments' arms. What do you think of that?

[Silva Cimma] There are many partial opinions in this regard. We, as men of law and with long experience in legal affairs, prefer to consider impartial facts. To say that someone twisted someone else's arm is for us, frankly, irrelevant. The truth is that a small country like Chile—yet strong and worthy from the viewpoint of the defense of its principles—managed to impose its criteria and, in the final analysis, resolved the difficult situation of a citizen who governed a country that has disappeared, who was sheltered by a country that has also disappeared, and who was consequently defenseless from the viewpoint of the recognition of his rights. That German citizen, however, could be helped by the Chilean Embassy, under the humanitarian conditions that we imposed. This position was strongly respected, and so were Chilean diplomatic rights, and so were the principles under which the powers that you mentioned, Germany and Russia, had to agree to our proposals, when the case was submitted to international law.

[Serrano] Mr. Foreign Minister, thank you very much for your presence at this momentous evening for Chilean diplomacy. Good evening.

[Silva Cimma] Good night.

National Renewal Sees 'Defeat'

PY2907214292 Santiago Radio Chilena Network in Spanish 1700 GMT 29 Aug 92

[By reporter Claudia Zamora]

[Text] National Renewal [RN] acting President Miguel Otero has stated that Erich Honecker's departure from the Chilean Embassy in Moscow represents a defeat for the government.

Otero said this fact represents a new and profound defeat for the Chilean Government, thus undermining the country's prestige and image abroad. He added that President Patricio Aylwin is directly responsible for this case:

[Begin Otero recording] The responsibility for the negotiations falls directly upon the president of the Republic because he is responsible for managing the country's policy. Now, whether the Foreign Ministry will adopt measures or not, is just his exclusive problem and we are not going to give an opinion on it. [end recording]

Otero added that his group will ask for a special Senate session to give an opportunity to the foreign minister to explain the conditions under which this case was solved.

Otero concluded by saying that Honecker's departure shows that the RN was right from the very beginning, that 201 days were necessary to solve this problem and put Chile in a confrontation with Germany.

UDI Demands Explanation

PY2907160792 Santiago Radio Chilena Network in Spanish 1100 GMT 29 Jul 92

[Text] The Independent Democratic Union [UDI] has asked the Chamber of Deputies to hold a special session

so that Foreign Minister Enrique Silva Cimma can explain the measures and solutions the government has adopted in the Honecker case.

This report has been released by Deputy Juan Antonio Coloma, who said that his party is convinced that the explanation will not only fill a vacuum among the congressmen, but will also serve to identify those who are responsible for this truly international production of contradictory reports. Coloma added that the latest events have only worsened the situation.

[Begin Coloma recording] We are convinced that as the days have passed the situation has only worsened. Besides, we are going to demand this session even if a solution is found in the Honecker case, as we all hope. But we believe that the credibility of our international policy has been deeply damaged. We believe, therefore, that the government must provide an explanation to the country. [end recording]

Coloma said that more than 200 days had passed since the day Honecker entered the Chilean Embassy in Moscow, and that since then events have merely reflected serious contradictions among government officials.

The deputy concluded by saying that the opposition presidential candidate must be elected in a more democratic manner, consulting at grass-roots level in both UDI and National Renewal.

Navy Chief Advocates Arms Self-Sufficiency

PY3007024892 Santiago Radio Cooperativa Network in Spanish 2300 GMT 29 Jul 92

[Text] Navy Commander-in-Chief Admiral Jorge Martinez Busch has said that he supports having a highly capable military industrial sector in order to solve our own problems.

He said this after meeting with President Aylwin at La Moneda Palace. Martinez Busch said that he reported to government house to greet the president and to inform him that in the next few days he will travel to Colombia at the invitation of the Colombian Navy.

The admiral was asked about the expressions of businessman Carlos Cardoen, who this morning said that arms purchases in the United States strengthen Chilean dependence on the northern country. In this regard, Martinez Busch said that he cannot refer to remarks by citizens. If I have anything to say, he noted, I use the appropriate channels.

Martinez Busch was then asked whether he supports self-sufficiency in the arms area.

[Begin Martinez Busch recording] First, I support having the highest capability in the defense industry so that we can solve our own problems, with Chilean technology, with Chilean engineers, and with local employees and workers, following criteria that are strictly Chilean. This is what the Chilean defense industry has been doing, specifically in the case of the Navy—I am speaking for the Navy—this is what the industry that supports us has been doing. This is what I can tell you. [end recording]

The admiral said the Navy still is studying the Armed Forces' organic law, and that it will express its opinion in due time and before the appropriate authority.

Colombia

Legislators, Others React To U.S. Aircraft

PA2907154992

[Editorial Report] Santa Fe de Bogota Emisoras Caracol Network in Spanish at 1200 GMT on 29 July broadcasts during its regular newscast four live telephone interviews on reaction to U.S. aircraft flights over Antioquia Department.

At 1204 GMT the station airs a four-minute interview with Senator Anibal Palacios of the 19 April Movement Democratic Alliance, who states that this situation is worrisome and comes in the wake of all the confusing events since Pablo Escobar escaped from the Envigado prison. Asked whether he has spoken with other senators regarding the military operation, Palacios states that the full Senate should receive a detailed report about what is occurring. He adds: "I believe the situation is getting worse in the country and all Colombians need very precise information about what type of operations are being carried out by the U.S. Armed Forces. This is very serious. We cannot repeat what occurred last week, when Congress did not know what was taking place during nearly 12 hours."

At 1224 GMT, Cesar Perez Garcia, president of the Colombian Chamber of Representatives, is interviewed. Perez Garcia begins the six-minute interview by expressing surprise over the flights by U.S. aircraft. He states: "We were surprised to hear the news broadcast by the media, especially Caracol, because the unusual flights by U.S. airplanes cause unease among the leaders and people of Medellin and Antioquia Department in general. We think there is a serious problem of sovereignty. The Colombians thought we could strengthen the policy of submission to justice but we are seeing that the course of the debate on this issue is changing." Perez Garcia adds that the congressmen want to hear reports from the defense and justice ministers on this issue because Congress has to adopt a position regarding Colombian sovereignty.

When the reporter asks Perez Garcia whether he accepts the cooperation of another country in the military operation, Perez Garcia states: "What I am saying is that we must be informed clearly. The public demands responsible action from the congressmen and Congress. We must know what type of service is being provided. In this way, we would prevent confusion among the Colombian people, specifically in Antioquia Department."

At 1247 GMT the station airs a six-minute interview with Senate President Jose Blackburn. Asked his opinion about the presence of U.S. planes in Antioquia Department airspace, Blackburn states he would rather wait for the defense minister to appear before Congress on 29 July to ask him what type of operation is being carried out and why U.S. airplanes are flying alongside Colombian aircraft. Asked whether he finds the presence of these U.S. planes normal, Blackburn replies: "I honestly find it strange that these planes are flying over Colombian skies but if the government has authorized these flights and if there is a joint plan, then we should know about it or at least have an idea about it."

At 1250 GMT, the reporter tells the senator that a caller has commented that the joint military operation seeks to draw attention away from the debate that Congress will begin on 29 July about the responsibility of government officials in Pablo Escobar's escape. Senator Blackburn replies that the debate will be held as scheduled on 29 July and that an ad hoc commission will be formed to issue a report to the full Congress.

At 1258 GMT the station interviews Fabio Valencia Cossio, a Conservative Party senator from Antioquia Department. Regarding the joint military operation, he states: "Thank you for the opportunity you are giving me because I think the situation in the country is very serious. I want to recount something to you and the country. When members of the Conservative Party went to speak with the Colombian president on 22 July, we asked him whether there was any reaction from the U.S. Government about the situation in Envigado and he told us that he was in permanent contact with the U.S. Government and that he was informing it step by step of the operation. He also told us that he was receiving intelligence from the U.S. Government. During the news conference the president held that afternoon, a journalist asked him whether he could confirm that U.S. troops did not participate in the prison operation and the president said he was unable to state whether or not the troops participated. That fact and what is taking place in Medellin now are extremely serious. This is so because a foreign government is being informed step by step about an operation and sovereignty is being yielded. One cannot deny that national sovereignty is being yielded and being violated when foreign military aircraft are being operated by pilots who are without doubt military pilots."

Defense Minister Explains

PA2907161392 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1535 GMT 29 Jul 92

[Report by Fabio Callejas]

[Text] While congressional debates to determine responsibility for the escape of Pablo Escobar and his closest followers have only just begun, another issue has been brought up. This has to do with the 29 July overflight by several planes in Antioquia Department. The government has just made its first official statement to Congress. The statement was made by Defense Minister Rafael Pardo.

Pardo said that Colombian sovereignty was not violated. He said that the operations carried out on the morning of 29 July are routine operations, routine overflights authorized and controlled by the Colombian Air Force as part of the cooperation offered by foreign countries in the struggle against drug trafficking. The following is the brief statement Defense Minister Rafael Pardo Rueda made to the Senate:

[Begin Pardo recording, in progress] ...to clear up this situation. For the past few years the government has received cooperation from foreign governments in its struggle against drug trafficking. This cooperation is established in valid agreements. The Colombian Government usually requests technical air support from the United States. This is to photograph the area, carry out reconnaissance, and gather technical intelligence information. These overflights are requested by the Army. They are controlled and authorized flights in accordance with the procedures observed by military planes. There is a Colombian official on board each of these flights. This official serves as a liaison.

These are cooperation flights, routine flights carried out in various areas of the country. This is done to photograph areas in search of poppy and coca plantations, landing strips, and laboratories. These flights are also used to gather technical intelligence [word indistinct] communication. Therefore, it is very important to [words indistinct] authorized by the Colombian military forces. [end recording]

Governor, Mayor Issue Letter

PA2907175592 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1650 GMT 29 Jul 92

[Report by Ruben Dario Hoyos]

[Text] I am now at the Antioquia government building where the governor and the mayor have just issued a joint letter addressed to President Cesar Gaviria, which says:

Dear Mr. President: We understand perfectly that the president is dedicating all of his time to resolving the difficult problems he now faces, and therefore has found it impossible to answer our many phone calls. During a visit to the defense minister on 24 July, the governor of the Department of Antioquia, on behalf of the Antioquia authorities, offered all necessary support and placed all its resources at your disposal, to aid in the efforts to recapture the inmates who escaped from the La Catedral Prison.

Further on, the letter states: The governor also asked the minister for instructions on operational security measures that must be taken to prevent abuses, as we, in

Antioquia, still hold fresh in our minds the horror we lived through due to an absurd war. Today's overflights have caused panic among the people, and again we were unable to offer an explanation because we know nothing. We hereby reaffirm our respect for the constitutional provisions that place the president in charge of public order, and we are ready to carry out your orders and instructions.

The nature of our job as elected officials demands that we be in a position to provide timely information to our constituencies regarding the events that affect them and to share in the responsibility for whatever action is taken.

Sincerely yours,

Juan Gomez Martinez, governor of Antioquia

Luis Alfredo Ramos Botero, metropolitan mayor of Medellin.

President Gaviria Responds

PA2907215092 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2114 GMT 29 Jul 92

[Text] The president of the republic wrote a letter to the governor of Antioquia indicating the country will not opt for a war and kidnappings will not be allowed, clearly referring to the possibility U.S. forces may kidnap Pablo Escobar here and take him to the United States, as has been speculated.

We will not allow the kidnapping of Colombians in our country, stated the president of the republic in a letter to the governor of Antioquia. The head of state said the government will continue to strive for the prosecution of criminals.

The president's statements are a reply to a note sent by the governor to the president of the republic a few hours ago, more or less reproaching him for the fact Antioquia authorities could not explain to the citizenry the overflight of U.S. airplanes on 29 July.

Information gathered by Emisoras Caracol in Medellin reveals that Governor Juan Gomez Martinez and Mayor Luis Alfredo Ramos Botero stated in a letter to President Gaviria that they were unable to explain to the citizenry the situation caused by the overflight of foreign aircraft in La Burra Valley, which caused panic.

The two Antioquia officials said: The fact that we were appointed by the people compels us to report to our fellow citizens in a timely manner about events affecting them, and we must share responsibility for the adoption of decisions.

Father Garcia Warns Escobar Not To Surrender

PA3007034192 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 29 Jul 92

[Text] After the Episcopal Conference issued him a warning, Father Rafael Garcia Herreros disregarded his superiors' orders and made statements on 29 July. He sent a message to Pablo Escobar. During an interview, the priest warned the fugitive not to surrender because he has many enemies.

[Begin Garcia recording] He should not surrender just like that. He should remain in hiding and establish a good dialogue with the government. Look, I am on Pablo Escobar's side. I say this quite honestly. Since everyone.-...[pauses] since many are against him, I have decided to take his side because I am a Christian, a priest, and because someone has to help him. [end recording]

Court Upholds Declaration of Internal Disturbance

PA2907202192 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 28 Jul 92

[Text] The Supreme Court of Justice has ruled that the national government was right in declaring a state of internal disturbance to prevent the implementation of the new penal procedure code to benefit more than 1,000 prisoners. According to the court, the special decrees and not the penal procedure code should be applied in these cases.

Paraguay

Debt With Spain To Be Renegotiated in Sep

PY2807145492 Asuncion ULTIMA HORA in Spanish 27 Jul 92 p 13

[By "Special Correspondent" Rogelio Lopez]

[Excerpt] Paraguayan Central Bank and Finance Ministry technicians will leave in September for Madrid to conclude the debt renegotiation terms with Spain, according to what was agreed upon this morning between the presidents of Spain, Felipe Gonzalez, and of Paraguay, Andres Rodriguez.

"We have not talked about condoning the debt, but only of renegotiating the debt, and President Felipe Gonzalez expressed the best intention to solve this problem," the Paraguayan president told reporters who were waiting at La Moncloa Palace in Madrid for the meeting to end. The meeting was held at 0800 Paraguayan time.

"We talked about the foreign debt, and he (Gonzalez) has the best intention of finding a solution to this problem. I promised to send the technicians to try to reach an agreement, but he promised the best disposition to find a solution to our foreign debt."

"I do not want to mention any figures yet, but I am certain and optimistic that we are going to find a solution in the best possible manner."

When asked whether they talked about condoning or renegotiating the debt, Rodriguez said: "Renegotiation above all. We are not going to talk about condoning the debt now, before reaching a final solution."

When asked again whether the interests of the Paraguayan debt to Spain will be reduced, Rodriguez only said: "We are going to see what happens; we are going to do what is humanly possible and with the best disposition of President Gonzalez. I think our country will benefit from it."

According to our country's records, by May, the deadline for the payment of the debt, our debt to Spain had risen to $94.3 million. Of this, $68 million is for the overdue principal and $26.3 million is for interest. [passage omitted]

Rodriguez on Debt; Cuba

PY2807221092 Asuncion ULTIMA HORA in Spanish 28 Jul 92 p 13

[Excerpts] This morning, shortly after arriving at the airport after participating in the Second Ibero-American Summit in Madrid, President Andres Rodriguez said: "A negotiating team will go to Spain in the first half of September to discuss our foreign debt with this country with Prime Minister Felipe Gonzalez. The prime minister showed a positive attitude toward our proposal promising to give it special treatment. They take their vacations during August but we will send a mission to discuss the issue in the first half of September."

"We want to find a solution to the foreign debt problem. If we succeed, we will be able to receive new investments and loans from countries that always have supported Paraguay. A solution to our debt problem with Spain will mean the green light to seek new loans with Spanish, French, English, and other countries' banks," the president added. [passage omitted]

"You know that we already have solved the issue of our foreign debt with Great Britain, France, and Germany. After we negotiate a solution with Spain we will go to Japan seeking a positive resolution of our international commitments," Rodriguez said.

Paraguay's foreign debt with Japan amounts to $33 million.

Support for Cuba?

Asked if Fidel Castro asked him for support from Paraguay to repudiate the U.S. economic blockade against Cuba, the president said: "I did not receive any request along those lines. I do not know where the news came from. At no time did Commander Fidel Castro request any support."

Asked about the Paraguayan Government's position if that support is ever requested, Rodriguez said: "Well, we will have to discuss it. But it is not I who will decide whether to give or not give that support. Congress will have to decide that." [passage omitted]

Shining Path Threatens To Blow Up Embassy

PY2907192292 Asuncion ABC COLOR in Spanish 29 Jul 92 p 8

[Excerpts] Foreign Minister Alexis Frutos Vaesken told ABC COLOR yesterday that the Peruvian guerrilla group Shining Path has threatened to blow up the Paraguayan Embassy in Lima. Despite the threat, however, Paraguayan Embassy personnel in Lima are not planning to move, and business goes on as usual at the embassy. During a telephone conversation from Lima, Paraguayan Charge d'Affaires Carlos Scavone Godoy informed this newspaper about the situation in Lima.

Foreign Minister Frutos Vaesken told ABC COLOR: "We are studying what measures will be adopted in view of the serious situation. Peruvian officials have been informed about the incident." [passage omitted]

During a telephone conversation, Scavone Godoy said: "We started to receive phone calls—there were three in total—at 1145 on 22 July. They threatened to blow up the embassy with a bomb because we were not observing the armed strike called for by Shining Path extremists. Shining Path had declared an armed strike in Peru. They learned that the Paraguayan Embassy was operating normally. This is why the unidentified callers warned that if the embassy was not evacuated in 20 minutes, they would blow it up." [passage omitted]

Vasconsellos Restates Charges Against U.S. Envoy

PY2807185292 Asuncion HOY in Spanish 28 Jul 92 pp 18-19

[Letter from Julio Cesar Vasconsellos, deputy of the National Republican Association, Colorado Party, addressed to editor of HOY, dated 25 July and published in the "Letters to the Editor" column]

[Text] With regard to the report published on page 4, local news section, in the newspaper under your direction, I would like to inform you that I have never claimed to be representing the Colorado Party Board. Everything I said was of my own personal responsibility. You may check the recording to verify my words. I beg you to please publish this explanation because I dislike and am not used to invoking representations which I lack, and least of all of a party of which I am neither a member nor an alternate member.

I fully reassert myself for what was said about the U.S. ambassador.

It is regrettable and harmful to our nation's dignity for an ambassador to arrogate upon himself the right to meddle in our domestic affairs. The United States has

the rare virtue of always being wrong regarding international policy matters, and we are no exception. It supported Stroessner for over 30 years under the "national security doctrine" and it withdrew this support only when Stroessner's police hurled a tear gas canister—"made in the USA"—at a U.S. ambassador.

At a time in which we are making great efforts to accomplish the [democratic transition] process, the U.S. ambassador adopts a colonialistic attitude and intends to instruct us on how to amend what his country helped destroy in over three decades.

Ambassador Jon Glassman has again meddled in our domestic affairs when he said: "We simply have proposed that all political parties represented at the Central Electoral Board reach an agreement on the control of the informative sector and on other procedures." I, therefore, have no other alternative than to again tell the ambassador that he has no right to make "proposals" to Paraguayan political parties about anything. I would like to know how the State Department would react if the Paraguayan ambassador to Washington made a "proposal" to American political parties about how they should run the elections. If he believes the donation of a few computers entitles him to make this statement, I believe he is wrong.

We want to maintain good ties with the United States. We belong to the same Western world and we believe in the same principles that are the social and cultural basis of that great country, but when we are sent ambassadors such as Mr. Glassman, I sometimes think that the United States has declared war on us but we have not realized it.

Sincerely Yours, Julio Cesar Vasconcellos, C.I. [Identification Number] 31.608.

Diaz de Vivar To Run for President in 1993

PY2907220492 Asuncion ABC COLOR in Spanish 29 Jul 92 p 6

[Excerpt] Gustavo Diaz de Vivar has publicly confirmed that he will run for the Colorado Party in the 1993 national elections. Speaking to a large number of ANR [National Republic Association—Colorado Party] rank-and-file leaders, he said: "We are taking an irreversible step and we will carry on with this process until we get to Lopez Palace."

Diaz de Vivar pointed out that his decision to run in the Colorado Party primaries for his nomination as a presidential candidate "is not just an electoral adventure." In this regard, he emphasized that his electoral platform is designed to implement a profound transformation of our country's material and intellectual features because our country "is still trapped by anachronistic schemes created by many years of a lack of freedom, an economy based on patronage, and an elitist power by a minority in our nation." [passage omitted]

Candidate Says Military To Guarantee Elections

PY2807222892 Asuncion HOY in Spanish 27 Jul 92 p 5

[Excerpt] Caacupe—Domingo Laino, who is seeking the Authentic Radical Liberal Party's [PLRA] nomination as candidate for president of the Republic, yesterday reported that there is a group of Armed Forces officers on active duty that is willing to guarantee that the 1993 presidential elections are held in a clean and open environment, as well as to separate the military from party activities.

He referred to this issue because the opposition still believes that the police and the Armed Forces are still in line with the ruling party's pretensions. He added that the opposition has information that in the elections for constituent assembly members, the military played an important role in the Colorado Party's victory.

Laino yesterday participated in a lunch organized to collect funds. The meeting was held at the Jaelli farmhouse on the hill of Caacupe.

Laino assured PLRA members who gathered there that "the democratic coalition" (alliance among the PLRA, APT [Asuncion for All], PDC [Christian Democratic Party], PPT [Paraguay for All], and a group of the Febrerista Party), together with the aforementioned group of military officers, will prevent the repetition of such serious violations as recorded during the 1989 elections. [passage omitted]

Communist Party Joins Opposition Coalition

PY2807212892 Asuncion HOY in Spanish 28 Jul 92 p 5

[Text] The Paraguayan Communist Party [PCP] has officially joined the "coalition board" currently made up of the Authentic Radical Liberal Party [PLRA], the Christian Democratic Party, the Asuncion for All movement, and the Rafael Franco Multisector faction of the Febrerista Revolutionary Party.

PCP President Ananias Maidana yesterday handed PLRA President Juan Manuel Benitez Florentin a letter in which the PCP expresses support for the "political coalition" sponsored by the aforementioned organizations.

Maidana said at the end of the meeting that PCP militant cadres and followers made the decision to join the opposition coalition in view of the 1993 general election.

Maidana said the Paraguayan opposition "urgently needs to unite in the coming elections in order to defeat the present political continuity. [quotation marks as published]

Peru

Fujimori Delivers 'Message' to Nation

PA2807200592 Lima Radio and Television Networks in Spanish 1705 GMT 28 Jul 92

["Message to the Nation" by President Alberto Fujimori at the Civic Center in Lima—live]

[Text] Ladies and gentlemen, Peruvian people: Let my first words be in homage to those Peruvian citizens and those foreigners who have been the victims of the genocidal aggressions of terrorism that will not go away, regardless of the direction from which they might come. The aspiration of Peruvians to live in peace and progress is more powerful than intimidation. [applause]

I address the nation on this date when Peru woke up to an independent life, through the determination of its people and the justness of its cause, which is defended by God. Let us recall that only two years ago the same iron-clad and unbreakable determination pointed out the path we should follow in order to move our fatherland away from the danger posed by anarchy and chaos.

Exactly two years ago we were facing a desolate horizon, a country devoured by hyperinflation, with bankrupt public enterprises, with gasoline costing only 6 cents while the state petroleum agency was falling apart, and with a currency whose bills were abandoned on the streets as pieces of paper. It was the ruin of an economy placed at the service of popularity and the convenience of the ruling regime, a completely artificial economy that was thunderously collapsing.

What was going to happen in Peru? What was going to happen in a country lacking international reserves, with an overwhelming foreign debt, a country that did not have one cent in its coffers to pay policemen, teachers, and public employees? It was the Peru of long lines to buy basic staples such as rice, sugar, and milk, which had artificial official prices that made them disappear in the hands of profiteers. It was the paradoxical Peru of give-away official prices, where there was virtually a permanent shortage of dollars, which all Peruvians were financing, but of which the favorites of the regime were taking advantage. It was the Peru of corruption and bribes, which was the protagonist of its own fate.

As in other memorable times, the Peruvian people turned discouragement into hope and devoted themselves to a task that seemed to be beyond their possibilities. In hindsight, Peruvians can assess the work done in these two intense years and feel proud of having been able to save our country with great sacrifices and a great faith in ourselves. That is what we have done. We needed no government of national salvation; we had enough, with a government of national honesty. [applause]

We had no time to think that we were reconstructing Peru day after day. Amid one of the worst crises of Latin America, our country has not collapsed—not only because of government actions to restore order and logic to public finances, international relations, and productive life, but because of the work of millions of Peruvians, laborers, peasants, workers, street vendors, and housewives.

Tomorrow, when the history of Peru is written, when a historian of the future will refer to these hard times, I am convinced that he will not fail to mention the heroic actions of these days in which we are fighting against hunger and terror, and yet we continue to sow and build, and to dream about a new fatherland. The historians of tomorrow will do justice to the people who have struggled and continue to struggle for the survival of Peru.

Today, we are going through a stage of transition. It is hard, like all periods that seek to leave behind a serious structural crisis. The inefficient and chaotic economic system, which led to an unprecedented crisis just two years ago, is being dismantled. In this process, the economic agents have sustained harsh, yet necessary, blows in order to adapt to a modern and sound economic situation. Some have been able to accept this quickly, others have done it slowly, while there are still some who have not been able to adapt. We can understand the sacrifices this productive reconversion has entailed, as it has been made practically without any truce and with much determination. I have always thought we are building solid bases for the future.

Peru is today experiencing a great transformation in a world that is always changing quickly. Old economic strategies are being dropped in other countries, while nations prepare to cope with an extremely competitive situation. We Peruvians have learned from this radical change of our economy and society, not only in the midst of an economic crisis, but also threatened by the terrible alliance of terrorism with narcotics trafficking.

From the very first day we began the economic reform, the opponents of this government have criticized and permanently hindered the measures that seek to stabilize the country and establish the new economic foundation. Nonetheless, they never provided any alternatives for this inherited disaster; and therefore we understand this means they never had any alternatives.

The struggle against hyperinflation and the solution to the external front that is marked by the debt has entailed costs such as the recession. This has not been a recession produced by poor economic management, but rather an element that can barely be saved in this difficult but necessary period of transition. Stabilizing an economy in light of problems such as terrorism, narcotics trafficking, and hyperinflation is truly an enormous task that takes more time than usual. An economy can easily be destabilized overnight, without much effort.

As I have said before, when we attained power, we found a country in ruins. It was a true disaster. For two years, we have been fixing what others ruined. We are also simultaneously preparing Peru to be a more modern country. The costs are very high. The people are running,

as we say, on a tight budget. The economy is somewhat paralyzed. This cannot be prevented, because we have to put the country in order. Therefore, the economists say we will not see the results in the short term.

We are living that short-term now. We will be able to see the benefits, which will reach all Peruvians, particularly the poorest, in the medium- and long-term. Those who criticize the government, who are the same ones who ruined the country, say: How much longer will we have to put up with austerity? It is true that we have austerity plans, but the government is not standing idle, nor is it squandering public funds on unfeasible projects. The Peruvian people are people who build, and they will understand me. How much sacrifice and time has it cost the people who have a little piece of land to build a home? Peru is going to have to be built just like that, from the ground up and with patience.

We are questioned about the social costs. They say these are too high. Yes, they are high, but the critics forget to tell the people how high those social costs would have been if this government, instead of doing what it has been doing, had continued the old policies of starting up the little machine to cover all types of deficits, which are the product of mismanagement; neglecting to provide adequate maintenance for the electric energy plants; and continuing to deplete international financial reserves. The social costs would have been terribly high if we too had boarded the bandwagon of fruitless expenditures. I am sure we would have no one to carry the burden in the future, as we have now.

It is important to remember that we must face the crisis on four fronts: the stabilization process; the reentry of Peru into the international financial and economic system; the structural reforms process; and social compensation and development. We have attempted to move forward on these four fronts simultaneously, with equal energy and efficiency, because we are completely convinced that beginning a permanent, stable, and continuous economic growth depends on their overall implementation and continuation, which will allow us to improve the well-being of the Peruvian people.

The second year of implementation of this economic plan has featured a reduced internal inflation rate, to a 4.5 percent monthly average, and the continued growth of the international net reserves at the Central Reserve Bank, which now total $1.5 billion. The main issues in this stabilization process are based on a stable monetary policy and a responsible tax policy, where expenses are made according to income and where the goal is to create surplus funds in the government accounts.

In my first address to the nation, I spoke of the need for Peru to reenter the international financial community. The country is aware that I have struggled—with the people at my side—to make this a reality. The goal was reached when the IMF approved our reference plan and the Inter-American Development Bank granted us a loan of $425 million, the largest that organization has ever granted to any country. This was a great victory for Peru, because now reentry is not just a new and strange word for the Peruvians, but a reality that will allow us to rebuild our deteriorated roads, for example, along which our agricultural and industrial production is moved and distributed and by way of which the Peruvian people communicate. Without such resources, the transportation workers would have to continue suffering the everyday drama of having to buy tires and spare parts, and to lose time, all of which drives up expenses and consequently the prices of their products.

Yet another drama is that experienced by the producers and by the passengers. Everyone is aware of the state in which we received Peru's main route of communication: the Pan-American Highway. The reinsertion is going to make this possible: this route that affords us communication with neighboring countries will once again become an instrument of development instead of a sad reflection of the backwardness and inefficiency of the state.

In the same manner, better hospitals, better schools, and improved port infrastructure will provide an idea of the benefits of what is being called reinsertion, which is being achieved through the sacrifice of all Peruvians.

Some economists—gurus, one might call them—and some politicians who serve as their sounding boards, opposed the reinsertion process; they argued this was not advisable for Peru. But after 5 April, a strange transmutation befell these opponents. All of a sudden the most strident anti-imperialists, the sworn enemies of the international organizations, and those who both inside and outside of Congress had done everything possible to prevent Peru's reinsertion into the international community, adopted this very topic as their battle cry, and began demanding that the government put more effort behind it and not lose the bid for reinsertion.

Our home grown gurus have announced all kinds of storms and disasters, but their forecasts have never come true. This has not discouraged them, however, and they continue to believe that some day they will be lucky.

In Peru, most of the time one's criticism and one's actions are two entirely different things. During their electoral campaigns, many politicians attacked the enormous monster that was the state as an entrepreneur, only to join the state and its businesses and turn into the generator of a huge deficit that the people then had to bear. Some politicians became hoarse proclaiming that it was a national necessity to do away with this burden, but once they came to power—and faced the hour of truth—they simply redistributed the burden onto the backs of the taxpayers.

There were scandalous institutions, of course—like the case of the Rice Marketing Enterprise [ECASA]—which were not only sources of corruption and of enrichment of favorites, but the Gordian knot of problems such as that of the rice growers of San Martin. Not only rice, but corn as well, rotted in the ECASA storehouses. ECASA did

not pay the suffering farmers on time, while another state-owned enterprise, the Peruvian Steamship Company, brought in rice from the Far East. Let me mention in passing that this company had acquired two ships: the (Pachite) and the (Mantaro), two floating heaps of junk, for $70 million! These ships never set sail and never spewed smoke from their smokestacks. The individual who collected the commission for that purchase did, however, turn into smoke and disappear 10 years ago. These ships became a monument that was costlier than the Eiffel Tower, but while the tower is a monument to progress, these ships were a monument to shamelessness and corruption.

The definition of the state's new role, in accordance with our political philosophy, was expressed early on, for example with the liquidation of ECASA. The government had two alternatives: to continue to pay homage to the sacred cows of the public treasury—because this is exactly what these inefficient companies, in which corruption was rampant, were—or to shed this dead weight from the state and consequently from the shoulders of the taxpayers. I chose the latter option. This government has demonstrated—and this is where it differs from its predecessors—that it will not tolerate or foster myths and taboos. [applause]

Useless things remain useless, and there is no reason to keep them. Now San Martin producers transport their rice themselves on an improved road, and they are happy to be rid of ECASA and the Peruvian Steamship Company.

In the past, waste was the primary characteristic of some state enterprises, especially those with foreign ties. For example, Minpeco [Peru Commercial Mining] had eight [as heard] offices abroad: London, Tokyo, Sao Paulo, Caracas, La Paz, and New York. It had 600 workers including those in Lima. It has only 40 workers at present. Minpeco USA was sold, and the other offices were closed.

However, the top salaries—the Peruvian people must know this—were paid at the London office, where officials were guaranteed a tax-free annual salary ranging from $69,000 to $101,000. The gross annual salary for the London office chief was over $200,000. That salary is much higher than what is normally earned by a top executive in that city. And that was not all, because entertainment allowances were not included in those salaries.

Minpeco officials, of course, seemed more like officials from a rich Arab emirate than those from a poor country. They flew aboard Concordes and stayed at exclusive hotels. There were no limits on entertainment allowances. Such waste, such luxury, was not in keeping with the company's profits and careless management.

We began the privatization process early this year following the promulgation of Legislative Decree 674 on September 1991 and the establishment of the Special Privatization Committees, Copri. The privatization task is by no means simple. In this case, as in others, those who did not dare to stick out their necks now want to teach us how to do it.

Although we have the support of professionals of recognized technical capabilities and moral stature, privatizing 223 state enterprises requires a colossal effort. Preparing the enterprises for sale requires a great deal of organization and work from Copri members, enterprise boards of directors, and workers and their representatives.

We must realize that we live in an increasingly interdependent world where countries compete not only for access to new markets, but for investment capital as well. All Peruvians, not just the government, are obligated to create a propitious atmosphere for attracting such investments. Everyone will share the medium-term benefits. We will have better products and services, will pay fairer prices for them, and will receive greater investments that will, in turn, generate new jobs. In the short-term, revenues generated by the sale of enterprises will be earmarked to meet the urgent needs of the social support program and the reconstruction of the country's infrastructure. [applause]

Obviously, this is only the beginning. We are still receiving limited resources. But with those resources we solved the great problems of the small and forgotten. Bringing looms, kitchen appliances, and computers to the people is perhaps crumbs to some, but those so-called crumbs solve the problems that indifference and demagoguery could never solve, despite their enormous resources. [applause]

In two years we have carried out structural reforms that had long been postponed. Those reforms constitute the silent revolution. Those changes are transforming the state, which had an oversized bureaucratic institution that was holding back production, into an effective agent that promotes the citizens' initiative and development. [applause] We are definitely reducing the size of that giant but weak state.

The policy of incentives, which has cost approximately $60 million, and the social benefits to employees with 25 and even 35 years of service has allowed us to reduce expenses effectively. That is the best thing that could have happened, because the state does not have any more resources for reasonably paying its employees. When the process is over, this reduction of expenses will allow better salaries for the remaining employees.

These structural reforms have already had a positive effect in a short period of time. The productive activities are no longer restricted by absurd regulations that had turned our country into the country of the Guinness Book of World Records. We had the most expensive port in the world: El Callao. Its costs were extremely high. Today, the Commission for the Control of Maritime Labor no longer exists. It was nothing but a Mafioso system of exploitation of workers by pseudo-workers. Who has never heard of the point and counterpoint?

[sentence as heard] These workers who did not work, who lived on a sort of sinecure of the privileges of the past, formed a powerful trade union that frightened the National Ports Enterprise [ENAPU] administrations.

The infamous cargo reserve is also a thing of the past: the system whereby the exporter—no matter how pressed for time he was—had to use nationally flagged ships. If those ships were not in port at the time, too bad; the exporter had to wait. If that situation caused the exporter not to comply with a contract, that was just too bad. He could not load his merchandise on a ship with a foreign flag without going through an annoying procedure with a strange and insensitive bureaucracy. The law reserving cargo for Peruvian ships was intended to develop the National Merchant Marine. That development never occurred, as a logical result of lack of interest. Why grow if everything is taken care of for you?

Meanwhile, given the various governments' indifference, our exports—and Peru—were affected for many years. Restrictions on our export business have been lifted, and today we seek, under the supervision of international enterprises, to prevent fraud against the state, as such fraud also entailed a smaller customs collection.

With freedom of trade comes increased competition where there once were exclusive restrictions. At one time we could not import used machinery and vehicles in order to protect certain interests. In a poor country where very few transportation businessmen can purchase a new vehicle because of this holy mercantilist law, the transportation users had to travel in broken-down minibuses. Today, any citizen can purchase used vehicles and even import them. The effect is obvious. There are more vehicles, better service, and a relative renovation of the automotive pool.

The same is happening with medicine sales, which was an oligopoly up until yesterday. Today those sales are surrounded by many activities that are being carried out within a framework of natural competition that benefits the consumer because he is provided with price alternatives and better quality.

The development banks have also been affected by the reform policy. In reality, development banks never reached most agricultural or industrial producers. The Agrarian Bank, for example, in its heyday needed $500 million annually. In other words, it was a bank that promoted inflation.

Structural reforms are also implemented in the agricultural and social sectors through the creation of jobs in poor areas. Reforms are carried out through the Social Development Compensation Fund and the National Housing Fund [Fonavi], with investments over $400 million this year. But as we will see, these structural reforms also encompass education, an increase in foreign investments, and all aspects of national life.

More than once in my office, sitting in that chair from which some persons are capable of promising everything—I refer to the presidential chair—I have reflected on how this crisis evolved and how all the problems that are known to everyone, problems that are deeply rooted in society, could be effectively eliminated. All Peruvians ask themselves that same question. The fact that I am president of the Republic does not spare me from asking myself that question. On the contrary, who should make the decision to step forward and say enough of so much corruption and irresponsibility? Should it be Congress or the judicial branch? Should the answer for which the people have waited so long have come from them? We would have had to wait much longer. We would have had to wait five years for a response that the people and I knew would never come.

Therefore, the executive branch had to take a step forward and leave our past behind. The problem of how that should be done remained, because there was a Constitution that prevented us from solving the problems through other avenues. We were once again faced with a dilemma: to do something or to do nothing; to govern disguised as a democrat while the country was consumed by a corrupt system that spoke on behalf of democracy.

I tell you, a curious situation prevailed: Neither the president nor the people could use the Constitution to implement changes, yet the Constitution and the law could be easily used so all kinds of criminals could evade justice right under the people's noses. What a strange democracy: wide for the wily and narrow for the honest.

No one was unaware of the grave institutional crisis that Peru was experiencing as of 5 April. The National Congress, the judicial branch, and the institutions charged with control and oversight tasks were totally divorced from the country and its needs and hopes. One pathetic example was the annual discussion of the Republic's General Budget. The budget law is one of our most important laws because it outlines annual allocations for the various expenses of all sectors; from education to defense to programs such as the glass of milk program. That law was treated politically rather than technically. In some cases, laws were treated even less than politically, but according to the interests of individuals and groups.

The President of the Republic presented a duly balanced budget to Congress; that is to say, with expenses equal to revenues. The president had been extremely careful. He had been extremely disciplined and austere for two reasons: one of a technical nature, and the other of a moral nature. Technically, we were avoiding the pressure of inflation: the money-printing machine. Morally, we were siding with a people that were making huge sacrifices. And so the problem arose: Congress did not want to accept the austerity principle. In the name of the people, I stressed that these principles had to be upheld, and that no branch of state can be above the country and its true needs. [applause]

It was said that I was seeking a confrontation between the branches of state, but Congress itself admitted that the budgets drafted by the two chambers were excessive. Due to pressure from the people, the Chamber of Deputies reduced its budget from $120 to $80 million. Obviously, the budgets were inflated. Where were we going to get the money to pay for so many expenses? That is not our problem, they seemed to say, that is the government's problem. Let the government decide if it should or should not use the money- printing machine. That was the responsibility demonstrated by the so-called Fathers of the Homeland.

To this we had to add the absence of real and productive congressional work expressed in laws that the people needed. Instead of laws, there were fistfights and insults. That attitude was evidence of Congress' separation from the country's most serious problems—from its huge crisis.

For zealously fighting drug trafficking and related crimes, the President of the Republic was accused in Congress of not having moral authority and was threatened with impeachment. The justice system and the institutions entrusted with control and oversight tasks were so discredited in Peru that they used the existing laws and institutions to serve not the purposes for which they were intended, but other extraneous purposes of a political nature. One example is the lawlessness that still reigns in Peru. Here the state has only 100 prosecutors to handle 64,000 cases.

Thanks to corruption and intimidation, confirmed terrorists and well-known drug traffickers could be absolved in court and portrayed as victims in magazines.

Prisons had become terrorist indoctrination centers and comfortable headquarters for the masterminds of criminal organizations. Big-time criminals walked out the front door of those prisons as if they were decent people.

All this denigration existed during the previous governments and legislatures. My government could have coexisted with this situation also and not created any additional problems for itself. I have said it before and I will repeat it now: I am not in the government palace to manage Peru's overall crisis the best I can. I am not there to carry out the kind of public relations work that people call national agreement, which is really just an agreement to bury certain matters.

Those who do not want changes, those who are democratic on the surface only, the bureaucrats, believe that Fujimori committed political suicide with the quote, coup, unquote.

The people put me in the government to make changes, to break molds, not to solemnly warm up a seat for five years. [applause] That is not my style, and I will not do it. That is why, interpreting the people's protests and rejections and for the sake of the country's reconstruction, modernization, and moralization, my government decided on 5 April to temporarily suspend the operations of some fundamental institutions and some articles of the Constitution. We did it to promote a democratization and modernization process that would ensure the people's real participation in the search for national progress and well-being. [applause]

The decision entails big democratic reforms and political modernization. It is coherent with the economic reform process that is doing away with privileges and monopolies in search of free competition and efficiency for the benefit of the people, the sole beneficiary of our government work.

As expected, the people's support has been very much in contrast with the tenacious resistance offered by traditional political sectors, which as of 5 April mounted both at home and abroad a huge campaign to destroy our society's only real possibility of having an effective democratization process.

Their main argument was to be expected: There is a dictatorship in Peru, and we are fighting against it on behalf of democracy. Once again they forgot to explain on behalf of what democracy. Perhaps on behalf of the democracy of big deals and let us start from the beginning. Or perhaps on behalf of the democracy that maintained a legislature that for 10 years evaded legislating on land ownership, on the strike law, on the cargo storage system, on the system by which port workers recruit others to do their job, on the laundering of drug money.

Until 5 April it was evident that vast sectors of the population were neglected by the partyocracy. The party leaders distributed among themselves the representation of the country for five-year terms. In the name of the country and of democracy, they managed national affairs according to their own political and personal interests. Periodic consultation of the people is not part of our democratic structure. This mechanism is common in the most advanced democracies of the world but it has not been considered in our country because it seriously jeopardized the power of the party leaderships.

That is what I said at the Bahamas. I did not go there to repent, but I was sure I was projecting the voice of the Peruvian people, something that those who represented the opposition and who went to that same meeting could not do. I went to that forum to announce directly to the foreign ministers of the Americas the true plans of the government and the nature of a democracy defended by party leaders and rejected by the vast majority of citizens, and even the rank and file of those parties. [applause]

In the Bahamas, it was clearly established that we were seeking a true democracy. In spite of the numerous and very shrewd obstacles to the democratization process and the previous dialogue, history and the people were well aware of our plans and proposals.

Everyone in Peru was well aware of the fact that the prevailing system endorsed a limited justice for obtaining a favorable ruling. Everyone knew corruption

grew under the protection of the system. Businessmen knew about it, as they had to pay bribes as high as $50,000; modest citizens also had to pay their share. There were hundreds of resources for blocking justice, and many magistrates lent themselves to it. There are thousands of anecdotes to illustrate how the administration of justice in our country was a sorrowful farce in many cases. One such story tells of a board member being replaced by a custodian, as the group was pressed to obtain a ruling. Just imagine such extremes! That ruling eventually had to be annulled.

More than one lawyer representing poor and humble people tells us of how, when trying to prove their defendants' innocence, they were confronted by judges or secretaries who snapped their fingers and held out their hands, asking: So, where is the evidence? The evidence they sought were the bills, the money. That is why we have undertaken a radical moralization in this area of public administration. [applause]

We started by dismissing officials ranging from the highest-ranking magistrates down to the court secretaries in order to eliminate the shameful situation of administration of justice at the service of party leaders or of certain economic leaders. The government's replacement of these men is evidence that it is willing to reestablish the confidence that the people should have in this power of the state. We know, however, that this is not an overall solution for reforming or reorganizing the judiciary branch, but it is a start.

Having chosen new magistrates with honest juridical behavior and careers as well as flawless morals is an advantageous replacement. However, the justice system itself will be totally reorganized to make it more accessible to the people; in other words, it will be faster, convenient, and modern—and, if you will excuse the redundancy—more just.

We are convinced that the most advanced technology should be used in the judicial branch, so justice will be administered with the support of computer technology. In that way it will be able to break down the current administration and redistribute magistrates and jurisdictional and administrative assistants who are currently in office.

Consequently, Lima's judicial district will actually become four districts. The first will be where it currently is; the second will be in the northern cone; the third will be in the southern cone; and the fourth will be in the Chosica zone and surrounding areas. Likewise, the Callao District will be divided in two, and judicial districts will be created in Huacho and Canete so justice will prevail in territories that are currently neglected.

Court secretaries will be replaced by graduates from the different law faculties. [applause] The creation of the (Cesigra) law program will allow professionalization and will replace the dangerous system of self-taught court secretaries and assistants. Another goal we wish to attain this year is the creation of a system that includes a central office in charge of legal notifications and a technical management office independent from the Supreme Court's jurisdictional office to adapt a semicolonial judicial branch to the 21st century.

There are also plans to have specialized judges who will pursue a judicial career after first getting a master's degree at the magistrate academy; that should be a legal requirement. The magistrate academy would offer a master's degree aimed at achieving a high level of specialization in justice management. This issue has been previously neglected. The obligation includes two important aspects: Only lawyers who have successfully completed their master's degree will be able to enter the magistrate academy. The use of influential people's personal cards to obtain privileges and favors, political influence, and nepotism—all of which had become deeply rooted in the judicial branch until recently—are thus eliminated. [applause]

Moreover, civil and penal courts in Lima's metropolitan area and in the provinces will be relocated in buildings that previously housed the Education, Economy, and Finance Ministries' offices. The personnel reductions in those ministries have left large facilities vacant. The infrastructure will be equipped so each court may have its own facilities and work normal hours rather than working half a day—which is the current schedule. That will enable the judge to better control and supervise judicial activities that are currently managed by fully autonomous secretaries, a practice that involves a risk for litigants.

The judicial branch's reorganization is decisive in the overall struggle against corruption, and it supports the achievement of peace in the country. During the second year of our term, we issued Decree No. 25428, which adds new measures for the repression of illegal drug-trafficking activities.

It is appropriate to remember the context in which this measure was originally implemented, because it sheds some light on the diverse interests that move this dirty business.

It is well known that the former Congress inexplicably repealed Law Decree 736, which was issued to correct an omission in the penal code and established harsh sanctions for laundering dollars made by drug trafficking. The executive branch responded without delay.

Later, when they declared themselves incompetent to judge a case involving the laundering of dollars made by drug trafficking, claiming that the crime was not clearly stipulated in the Constitution, they proved that our apprehension was well-founded.

Regarding terrorism, the government has used law decrees to establish new sanctions. Jail sentences have been increased. Life imprisonment has been set as the maximum sentence, and other sentences have been increased considerably for various crimes that are inherent to terrorism.

Members of terrorist organizations who directly participate in actions that may result in deaths or in the destruction of service infrastructure that are essential to the population will receive sentences of no less than 30 years in prison.

The new laws against terrorism allow for repentance and subsequent collaboration with government forces of all citizens who may have participated indirectly or under pressure from criminal groups in terrorist actions. Thus, we will reinforce the government forces' intelligence work.

In the beginning, we did not think of trying terrorism cases in military courts. However, in light of the brutality and the lack of all humanitarian sensibilities displayed during the more recent attacks and massacres, we are now sending terrorist cases involving deaths to military courts. Those crimes are comparable to high treason, because not even a foreign enemy violating basic international laws could cause such harm to Peruvians. The population must be protected by weapons and the law from these enemies of the fatherland.

We believe the pacification strategy must be an overall effort. It must not be limited to the military and repressive level, because then we would be repeating the failure of the first ten years. A social illness as serious as terrorism needs intensive, specific, and overall treatment. That is why I have repeatedly urged the Armed Forces and the Police Forces to strictly fulfill the pacification strategy, because mistreating peasants would make us retreat in this struggle.

I believe I am being heard, and that is why the huge sacrifices being made by our officers and soldiers in the emergency areas are rewarded with the requests from the people themselves. They ask that a certain military chief not be changed and that he remain in the area where he has worked and won over the people's hearts. That is how you defeat terrorism.

I also want to point out—and it is not the first time I have done so—that the National Police's current work can contribute to fostering confidence among the population, or to inspiring fear, mistrust, and rejection.

Neither Peru nor I has forgotten the case of that small child killed in Costa Verde while traveling with her mother. Or the case of the unassuming taxi driver, a hard-working man, who was also killed by corrupt policemen doing God knows what. Where are those policemen? Have they received the just penalty they deserve? What has happened to the keys of the El Zenin prison? I hereby announce today that by law decree, we are hereby implementing a double penalty on all active duty policemen who are caught breaking the law. Regarding retired policemen, the sentence will be increased by 50 percent over what is established in the penal code for each crime. It is time to stop those policemen who are taking advantage of their uniform to carry out crimes that do not pay. [applause]

Despite those crimes, I would also like to congratulate all the fine, good police officers. Safety in the cities and in the faraway regions depends on this great majority of honest policemen. A lot of them carry out their duties under very adverse conditions that sometimes require them to leave their wives and children. My recognition and respect to all those brave police officers, and especially those UDEX [bomb squad] members who have been killed or wounded while carrying out their sacred duty. I also want to congratulate the Counterterrorism National Directorate [Dincote] for their professionalism. The population at large must stand behind the state and the authorities. We are slowly accomplishing this. Counterterrorist activities are no longer an indiscriminate affair that prepares the ground for Shining Path guerrillas or the Tupac Amaru Revolutionary Movement [MRTA].

The Peasant Defense Patrol, by receiving advice from the Armed Forces, has been able not only to slow the growth of terrorism in rural areas, but also to reverse the situation and bring some peace and order to previously occupied areas. Shining Path has now been forced to vary its plans and has turned its attention to the cities, mainly Lima. It has launched an all out propaganda and terror war that will enable it to recover loss ground. The decision to intervene in the universities and prisons where Shining Path had been able to establish safe heavens and command centers, respectively, has been a heavy blow that has dismantled that criminal group. That dismantlement, to which we must add the recent capture of some of their most important leaders, has resulted in a desperate and violent reaction that contradicts its initial plans and traditional methods. Lately Shining Path has done everything necessary to earn the repudiation of the Peruvian people. However, there is no better indication of that situation than the new position adopted by the university population. The intervention in the national universities, supported by the Armed Forces, has not been repressive. The students themselves, accompanied by the soldiers and armed only with paint brushes and other implements, have decided to refurbish the university infrastructure. Another myth succumbed. It was believed that the students rejected the state and the Armed Forces just to act like rebels without a cause. The students have debunked that myth with their positive attitudes. They have shown that what they really want to do is study.

The university is being cleansed of criminal terrorists, who can no longer use it as a refuge. The university community has cooperated to expel elements that had instituted a reign of terror and intimidation. What we find even more encouraging, more promising, is the position adopted by the students from San Cristobal de Huamanga University. You could say that Shining Path was born in that university. Now, an attitude of absolute rejection of terror, sectarianism, and fanatical genocide has been born there. [applause]

At a recent meeting with approximately 4,000 Ayacucho university students at the San Cristobal University coliseum, I was moved when I heard them say that they are optimistic about the country's future, that the future means modernization and leaving behind the vices of an old system.

The students' position shows us the road to follow: that of a rapprochement between the state and society.

Shining Path is moving away from society, and the people are increasingly rejecting them. The cowardly murder of Mrs. Moyano can be explained only by the terrorists' lack of coherence. Their mistake has generated the organized resistance of the people of Villa El Salvador, the people whom Shining Path wants to subdue with brutal killings.

The United Nations has repudiated the killers who carried out the Miraflores attack. It appears that local terrorists and a foreign mercenary group participated in that attack. The people must know that. We are investigating the links between these criminal groups. The investigations could produce surprises and reveal the existence of a sinister maze.

In recent days, terrorism has sowed death and destruction to challenge the state and to weaken the government.

As a measure to complement the trial by military courts of those who commit terrorist actions, the government has prohibited the marketing of ammonium nitrate. Most of the product was picked up the day before I made the announcement last week to make sure that we would be able to seize it before it could be illegally hidden.

As terrorist attacks have been taking place, Lima's settlements have been creating self-defense committees. It is in these settlements where the terrorists dream of creating support mechanisms.

The citizens must understand that there is a relationship between the nature of the recent attacks and the growing number of captured terrorists, intelligence work, and civic actions. The citizens must remain calm and collected as we implement this strategy until we completely eradicate terrorism from Peru.

The education system has been clogged because the state wanted to offer more than it was able, and it has not been imaginative enough to mobilize civil institutions. Government goals have not been fulfilled, and education has suffered increasing limitations because of the economic crisis. The quality of education has also suffered. The free education program is not being implemented because the state has been unable to offer an adequate infrastructure. In addition, the salaries of teachers and administrators are very low, thus forestalling the implementation of an adequate and professional personnel replacement program.

The system can offer no more. State educational resources must be used in such a way that their effects are amplified. To that end it is necessary to have the organized participation of educational institutions of the municipalities, religious groups, organized communities, parent associations, cultural associations, and professors' associations.

The state must never break with education. It is obligated to provide education. It must promote citizen participation, societal participation, so that resources are used in the most rational and effective way. That will happen when the institutions I have mentioned can direct educational centers in an autonomous way, from a financial point of view, leaving the state with the task of establish norms.

That means the state would cede state schools to those groups and institutions. They will, like private schools, function around the educational norms set by the Education Ministry.

The modernization of education implies [words indistinct]. That does not mean professors and technicians will be dismissed. It means the decisionmaking power that once rested with the Education Ministry bureaucracy will now go to the organized groups that will direct the schools. Those groups will hire the school director and the professors recommended by the director with the approval of the board of directors of the [word indistinct]. The new administrators will hire nonteaching personnel as well. The administrators will function autonomously as far as paying salaries and purchasing supplies goes, and also in securing the projects to improve installations and in paying the electricity, water, and telephone bills.

Under the current system, teachers and other personnel were often political appointees. Their decisions were not the best, but the students and parents had to endure them. Such a system does not generate active and informed parental participation in the children's education.

With the implementation of the new framework, we anticipate that there will be concern, interest, and responsibility. As in all centers where the state is not present, the parents will provide education. Parents and teachers will be free to choose what best suits their economy and personal beliefs.

Education will continue to be free because the state will provide the income secured by nonprivate state education centers. The state will provide some sort of subsidy for each student going to school.

Unfortunately, 25 percent of the students are currently drop outs, or repeating their year, or have no access to education. The great advantage is that the proposed system grants a subsidy to each student and encourages every student to attend college. I repeat, since the students receive the subsidy they have the option to register in whatever college they prefer—where the college's quality is best. This obviously encourages a healthy competition among the colleges since the best colleges

will obviously obtain more subsidies. The state will maintain its normative role in the education sector, meaning it will permanently supervise, control, and assess the quality of education. It has been said frequently that education is a task for everyone. Well, we think it is time to implement this essential principle with the new system, which includes so many institutions. [applause]

The maintenance and repair of all kinds of infrastructure has been a permanent concern for this government. In January 1992 we signed a loan with the IDB [Inter-American Development Bank] for a program to repair 1,400 km of the Pan-American Highway and Central Highway; and to give maintenance to 2,000 km of those two highways. This program costs $300 million—$210 million are financed through the IDB and $90 million come from public funds.

The program is scheduled for completion in 48 months yet the Peruvian Government intends to carry out the work quickly. Actions are being taken to conclude work scheduled for those 3,400 km in June 1994, meaning 30 months after the agreement was signed. The program will be carried out by five groups. We have started by announcing a selection of consultants and announcing bids for the first highway group. This process is scheduled to end in August so work may start immediately afterwards. The bid marks the beginning of a new system for the awarding of contracts—it will be granted to whoever submits the lowest figure rather than based on an average of submitted bids. This will let us save approximately 20 percent and it will represent savings of no less than $60 million as far as this new project is concerned.

The Transportation and Communication Ministry's emergency highway program has resulted in the protection and repair of 2,704 km of highway with an investment of $13.5 million. Work has been carried out on 1,547 km of the country's highways with the intensive use of manpower, through civilian authorities in the following sectors: Tarapoto-Yurimaguas, La Oroya-Jauja-Huancayo, La Oroya-Huanuco, Lima-Matucana-Casapalca, (Santa Viru) sector of the Pan-American Highway, Chala-Puerto Viejo sector of the Pan-American Highway, Pacasmayo-Cajamarca, and Sicuani-Juliaca. It would be too time consuming to list the towns being linked by the highways.

Work has been completed on many bridges, including Chuquimango, Huaura, Chuquicara, La Quinga, and Tulumayo. Work on 12 other bridges—including Picota on Rio Huallaga, Tumbes, Huaytara, Siguas, (Pendencia), Parina, San Francisco, etc.—will be concluded this year. These works involve the construction and repair of 19 bridges whose total measure is approximately 1,500 m. Within the framework of an agreement for nonreimbursable financial cooperation—for approximately $27 million—signed in 1991 with the Japanese Government to support economic and social development, $22 million were assigned to the transportation sector. Approximately $12 million will be used to buy modules for highway construction and repair.

A similar donation, for the same amount, was approved in March 1992; and $14.8 million were assigned to purchase machinery that will be used for highway construction and repair. We have purchased 25 modules with this financial support and with our own resources. This quintuplicates the availability of machinery for highway construction and repair. The jungle-coast project is being reviewed within the framework of a cooperation agreement signed between Peru and AID to finance the program for the economic stabilization and recovery of Peru. The project involves the sum of $20 million, intended for the repair of critical segments such as the Huanuco-Tingo Maria-(Ponjui) highway.

Public service of electricity in Peru currently faces the worst in crisis its history. Energy rationing is almost commonplace throughout the country and reliability in the service remains low. The energy sector has been marked by deficient planning which did not include enough investment for the construction of electric and thermal plants requiring a lengthy implementation period. This situation, compounded by the lack of maintenance in transmission lines, has resulted in a nationwide crisis that currently prevails in that sector.

The per capita consumption of energy in the country is barely 500 kw/hours a year. This is far below the average rate, 1,000 kw/hour, in Latin American countries. Although we have yet to achieve a full reactivation of our production, there is great demand—as yet unfulfilled—for electricity in many areas served by public enterprises. Within the process for structural reforms in the 1991-1992 period, emphasis has been given to the reorganization of the electricity sector. State monopoly in the electricity service has been eliminated. There is a national interest in sponsoring private investments in public service enterprises, as well as other activities involving the generation, transmission, and distribution of electricity.

Meanwhile, the Peruvian State Electric Power Enterprise [Electroperu] and the Lima Electric Power Enterprise [Electrolima] have obtained positive results in their 1991 efforts, after more than one decade of disastrous economic results.

To overcome the limitations in the supply of electricity in the shortest possible time, the government has declared a state of emergency in the generation of electricity for a period of 150 days. The government has decided to grant $50 million for the purchase and installation of a 100-megawatt power plant to be installed in Lima. The private sector has been invited to participate in financing this project.

The above-mentioned actions are independent of those initiated by the current government and that can be channeled to the construction of the Yuracmayo Dam,

whose progress is on schedule. Likewise, we are working on the overhauling of the steam power generating units at the Santa Rosa power station, thus managing to recover 50 megawatts that had been inactive in recent years. Overhaul work has been done on the following transmission lines: Mantaro-Pomacocha, Mantaro-Pachachaca, Mantaro-Pisco, Lima-Pisco, Marcona-San Nicolas, and Lima-Chimbote. The hydroelectric power plants of Mantaro and Restitucion have been repaired.

It is noteworthy to point out that the Mantaro-Lima transmission line work has been completed, with 320 km; the Tintaya-Juliaca line with 203 km, the Machupicchu-Quillabamba [no length given], the Chiclayo-Piura with 210 km, in addition to 45 projects of the electricity expansion plan that will benefit 100,000 people.

We engaged in a realistic policy with views to solving the conflicts that have been pending for a long time: the Occidental Petroleum Company and the (AIG) Delco. The conflict with the Occidental Petroleum Company came about as a result of a discussion of the rates to be applied, and that were not clearly established in a contract. Last December's modifications obligate the contractor to drill a minimum of 20 wells between 1992 and 1993, with an investment estimated at $60 million. With this attitude, the declining trend of our production has managed to increase by nearly 10,000 barrels daily, which will allow a short-term savings of $120 million in foreign currency.

As it is public knowledge, this government inherited the conflict with Delco, that used to operate in Tumbes and Piura, and whose installations were expropriated by the previous government without any compensation. Later on, Delco obtained from its (AIG) Insurance Company a compensation payment replacing Delco on the claim. This conflict led to the suspension of many Peruvian exports to the United States. In 1985 Delco was producing $190 million per year in petroleum. Today, Petromar [expansion unknown]—the enterprise that replaced it—only produces half. The production costs that used to amount to about 100 are now up to 150. [sentence as heard] With this settlement, Petromar's situation is stabilized, there are no judicial claims, the privatization of Petromar will be allowed, and Peru will rejoin the international petroleum community.

With the issuance of legislative Decrees 655 and 730, Peru has managed to attract from the international capital markets the investments required for the exploration and exploitation of crude oil. The above mentioned legal mechanisms have had specific results with the recent signature of six oil contracts for exploration with a minimum investment of $60 million, without considering those that are being negotiated at this time.

With the new National Regulation for Fuel Marketing we eliminated what was almost a monopoly of the current vending establishments. According to the previous regulations, dated 1963, these fuel selling stations should have been located at a minimum distance of 1,000 meters apart, as were the absurd distances at one time between drugstores.

A conflict between the Southern Peru Copper Corporation and the Peruvian State is a problem we inherited and which kept foreign investments away. For six years, that conflict led to recriminations and reciprocal suits.

The agreement adopted in December 1991 reflects the spirit of this government to find fair, clear-cut solutions that will benefit the country. During the past six years, mining activity has been undergoing the greatest crisis in its history. In a country with a mining tradition, where mining products contribute approximately 45 percent of total exports, we faced the dilemma of a serious decapitalization in the sector. This critical situation resulted in a fall in mining investment. In addition, the only common denominator those mines already operating had in common was the fact that they were all operating at a loss, no new exploration was being undertaken, and they all had defective structure maintenance. In addition, equipment was being replaced only under very short-term credit conditions, resulting from Peru's exclusion from the international financial system. One of the most significant decisions involving the mining sector was the passing of Law Decree 708 that promotes private investment in the sector. The law decree will be fully implemented in 1993. We have sufficient reason to believe that this legislation will encourage new investment in the mining sector as well as consolidate existing operations.

We must acknowledge that the mining sector crisis is far from over. Nevertheless, we expect the exchange rate to continue to improve in such a way to make this activity more profitable. In addition, the mining concession system has been restructured thus allowing more than 9 million hectares under state control to now fall under a free mining claim [libre denunciabilidad] status. I would like to point out the importance of this new mining concession system. The holder of a mining claim that is not being put to productive use will have to pay two dollars every year for each hectare under the claim. This means that any investor interested in mining activity will have to lay claim to only that amount of land he is capable of exploring. Let us take Madre de Dios as an example where a few concessionaires, with the exception of two companies, had and still have, claims exceeding more than 100,000 hectares. These claims have been under the control of these companies for several years. They tend to lease most of it to small miners, or simply wait for a more appropriate time to renegotiate the concessions. From now on, this type of situation will not be allowed, and will not be avoided with a simple payment each year if these claims are not utilized. We hereby announce that in Madre de Dios region we have initiated a concession review program where all concessions about to expire will be considered as free claim. Procedures have been implemented thereby allowing small miners and handicraft miners [mineros artesanales] to lay claim to the banks of gold bearing rivers.

As I mentioned earlier, Minpeco [Peruvian State Mineral Marketing Company], a company that lived in a state of perpetual fantasy due to its marketing monopoly and the government's support, owes Mineroperu [Peruvian State Mining Enterprise], Centrominperu [Central Peru Mining Enterprise], and Sunat [National Superintendency of Tax Administration] approximately $110 million. A heavy debt portfolio amounting to $140 million has accumulated as result of excessive credit allowances. A significant portion of these credits were extended to certain persons linked to the previous administration. Credits were granted freely without any type of collateral, and in many cases based only on political influence. The appropriate tax and fiscal authorities have been made well aware of this fraudulent conduct, and we expect these persons to be duly penalized.

The fisheries sector constitutes a priority activity within the context of the national economy due to its capability to generate food resources, employment, currency, as well as to propitiate regional development. Nevertheless, its development has been conditioned to problems related to structural and climate factors. Law Decree 750 was enacted with the objective of overcoming this situation and establishes clear-cut and adequate rules aimed at encouraging national and foreign private investment in the sector. The fundamental objective of the legislation is the conservation of hydrobiology resources in Peruvian jurisdictional waters, and the achievement of greater and continuous productivity, compatible with economic benefits. In this respect, the Fisheries Ministry has granted concessions to squid fishing ships bearing foreign flags since there are no Peruvian ships specializing in this type of fishing. As a consequence of the responsible management of the La Pota hydrobiological resources, we currently have net revenues amounting to $24.4 million earmarked exclusively for the development of the fishery sector.

The Fishery Ministry plan to promote and support subsistence fishing is aimed at helping the small-scale fishing industry and improving their unloading, preservation, and transportation capacity. The Ministry will help build and repair fishing boats; distribute machinery and fishing equipment; build and repair docks, piers, and so forth; install cold storage facilities; and provide refrigerated trucks for the transportation of their products. Proof that all this is being done are the Cabo Blanco fishing dock currently being built and the completion of 19 cold storage facilities all along the Peruvian coast. [applause]

The government's agrarian policy is aimed at encouraging, as in all other areas of production activity, the efficiency, profitability, and competitiveness of the Peruvian agricultural sector. For this reason, in the past 12 months we have implemented a group of measures aimed at an in-depth reorganization of the process of agricultural production, transformation, and commercialization. The law encouraging investment in the agricultural sector has created an appropriate framework for the development of new investments in the agricultural sector. The law states that prices are set according to the market thus eliminating subsidies, price control, and state monopolies in the commercialization of the products.

After 23 years of a collectivized-type process of agrarian reform, we have reinstated the full right to private ownership of land. This private ownership is characterized by the use, enjoyment, and availability of land, fundamental for the promotion of investment in the agrarian sector. Likewise, we have created the necessary laws to change the agrarian cooperatives from collective enterprises, in which the workers were, quote, unquote, owners, to enterprises in which the workers are shareholders; enterprises where all the shares belong to the workers.

Everyone knows that the old cooperative system discouraged and demoralized the workers and their morale was very low. Everyone knows that the system only created cliques and made some cooperative leaders and bad officials rich. These people handled the cooperatives as if they owned them and in many cases they followed the orders of the party leadership rather than following technical advice. Everyone was disgusted and fed up with this system and proof of this was the decision by the workers at the former Chucarapi Cooperative in Arequipa and the former San Jacinto and Cartavio sugar cooperatives to change their management system. By doing this the workers at these cooperatives have, once and for all, said: No, to political meddling; No, to mismanagement. [applause] Today they can decide on their future. [applause]

We can describe the implementation of the aggressive plan for granting title deeds and registering property in rural areas as a very important step forward in guaranteeing the owners access to market capital. During the remainder of my term in office I hope to complete this very important work. To do this we are seeking the support of the IDB.

I wish to stress that there will be no reactivation of the agricultural area if the peasants are not paid a fair price for their products. This is why during my term in office we will ensure that all imported foodstuffs will pay customs tax, IGV [General Sales Tax], and a specified surcharge. No exceptions will be made. Only in this manner can we guarantee that the peasant will make a profit and grow.

Another aspect we must stress is the support we are giving to agricultural organizations for them to become the forgers and promoters of their own future. This support has translated into loans up to $59 million that the Bank of the Nation can grant to finance the purchase of fertilizers, pesticides, and seeds. In areas with difficult access to markets we have to promote a system for producers to organize and form their own enterprises—widespread action enterprises—that will adequately solve the problems that result from transportation and commercialization of agrarian products. This has resulted in the creation of Arrozansa [expansion

unknown], Maselva Gazansa [expansion unknown], river transportation services for Copasa [expansion unknown] and Irimaguasa [expansion unknown], and other enterprises in Apurimac Department that will contribute to curbing the expansion of coca production in those areas. The early results have been good. Better prices have been received and the producers are paid promptly thus eliminating a very large yearly subsidy source and overcoming constant labor problems.

The national financial system has been subjected to an in-depth reorganization as a result of the changes we are making. The Agrarian Bank, a main branch of the Central Reserve Bank, has been eliminated together with the Development Bank. This new national financial system will consist of: the National Development Bank, which will act as a reserve bank; the commercial banks which will cater to business and the modern agricultural sector; the rural credit and savings banks, which will cater to small farmers who are economically solvent but who cannot resort to big banks; and finally, rotating funds, which will grant cash loans in poor, outlying rural areas.

During this difficult period, in which there is a lack of credits, it is encouraging to see the enormous effort made by farmers with their limited supply of seeds, fertilizers, and pesticides. However, now there are better prices for farm products, which will allow farmers to overcome the serious hardships posed by the production-industrialist system. The Ministry of Industry, Tourism, Commerce, and Integration will help small enterprises by supporting various private organizations to obtain international technical cooperation for small and micro enterprises.

We are working on creating industrial areas. This program, created through Legislative Decree 705, seeks to promote private investment in building the industrial infrastructure needed to develop small enterprise. To avoid imports from competing with national production, we have issued decrees imposing fines on those who alter prices on import invoices. We have also established decrees in which the same quality standards apply to domestic products, as well as to imports.

We have established that revenue obtained from the 2-percent tax on gross profit be channeled to national universities to improve their research programs. This university-business alliance will allow us to overcome the gap between our available technology and the needs of our productive sectors.

Business is a vital factor for our economy. Today, it represents 3 ½ percent of our gross national income, employing approximately 2 million people.

In view of the liberalization of the economy, where prices are established through free competition, we must protect the consumer in this market economy. The state must also guarantee the conditions for free competition. It must prohibit and punish restrictive tactics and the abuse of a dominant position in the market. We have issued Legislative Decree 701 prohibiting and punishing tactics which restrict free competition and abuse a dominant position.

It is well known that Peru is the world's main coca-leaf producer. There are about 260,000 heactares planted with coca, at least 90 percent of whose yield is processed into cocaine paste. We are not going to enter into details now of our widely publicized counternarcotics policy. However, we must stress that in the struggle against drug trafficking, we have issued a specific measure to control the supply of basic chemical ingredients, which are being diverted to the drug traffickers.

The National Superintendency of Tax Administration, Sunat, currently is in the midst of structural reform. After 15 months of hard work, the progress made in tax collection is of vital importance to the economic program. As for income tax collection, the figures show a gradual recovery with regard to the levels reached in recent years. The lowest point of tax collection was in mid-1990, when it stood at 4.3 percent of the GNP. The decreasing trend has begun to turn, and we collected 7.4 percent in 1991. In 1992, income tax collection will mount to 9 percent. The reform program estimates 11 percent for 1993, 13 percent for 1994, and 15 percent of the GNP for 1995. We are creating a national tax conscience thanks to Sunat and the Superintendency of Customs Administration, two organizations that have distinguished themselves for their honesty and professionalism. The community's awareness has grown of the risks entailed by not contributing.

The country is currently suffering a measles epidemic, which is affecting the central and southern parts of the country. The Health Ministry is carrying out operations to control the outbreak. The health care services are immunizing children under five who have not yet had their shots, and we have purchased 10.7 million doses of vaccine and needles worth 4 million soles with public funds. These supplies have begun to arrive through the Pan American Health Organization beginning 15 July, and will allow us to care for children between five and 14 years of age. The efforts of the Peruvian people must be recognized at this point. They have managed to maintain a very low death rate for measles and cholera.

Since 28 June, very significant measures have been taken in the field of labor. One of these measures is Legislative Decree 650, the Service Time Compensation Law. It unites into one document all the laws in effect regulating this matter for management and workers. It sets forth a new system for accrual and cancellation, which will allow timely payment of this benefit. Law Decree 713, which governs paid vacations for workers; Legislative Decree 728, the law to promote jobs, whose objectives are the massive generation of jobs, to make the work more flexible, to promote self-employment as a main vehicle to enter the work market, by tapping the worker's own

initiative. Law Decree 25593, the collective work relations law, which regulates union rights, collective contract negotiation, and strikes for private sector workers, is one legal instrument.

As for the right to unionize, the decree-law guarantees union freedom and democratizes labor unions. As for collective bargaining, it eliminates excessive state intervention by establishing new mechanisms to settle conflicts. As for strikes, it establishes basic regulations on this right by providing a set of requisites on their conclusion and practice.

The modernization of Peru must be comprehensive to guarantee development in democracy. The great structural reforms to establish a genuine market economy and create a new state cannot coexist with the pseudo-democratic structure that has brought us backwardness and underdevelopment, and led us to achieve power moved by interests that represent minorities.

Of course, as I pointed out in The Bahamas, political parties must participate in this great dialogue, which we must work on with genuine democratic determination, but not assume the role of exclusive interlocutors. The people do not want that. The people of Peru have voiced their will very clearly since 10 June 1990: They are against the prevalence of the traditional partyocracy. [applause]

Why overlook, why continue to overlook this honest message from Peru, from the people? We called for the election of the Democratic Constituent Congress [CCD] for 22 November. This is an institution that will serve as a bridge to establish a new Peru. Much like the great structural reforms implemented in the social and economic arena, the new constitution must have a sense of future. The goal is to establish a new order reflecting Peru's incorporation into the new world that is emerging. That new constitution must be approved by the people in a referendum. Let us not take away this right from the Peruvian people. [applause]

In keeping with the commitment I made to the country and the international community, as I reiterated before the OAS assembly held in The Bahamas on 18 May, the government certifies its position so that the CCD can fully exercise its constituent, legislative, and control functions. This will permit us to fully return to the balance of powers and democratic institutions, within a new framework. [applause]

I reiterate that within the framework of its constituent duty, the CCD will have the authority to approve the constitutional amendments agreed on by its members and the proposed amendments so that Peru can have a new political constitution. [applause]

The new text will invariable be subjected to approval by referendum. In this way, the people of Peru, who are the sole legitimate sovereigns, will decide if they ratify or rectify the approved text. [applause]

The fairness and transparency of the process to elect the CCD members is ensured. The process will be structured in such a way to allow for the free and voluntary participation of political organizations and independent candidates, who are to be included in lists registered at the National Election Board [JNE].

Peru has formally requested the OAS to supervise the electoral process. According to its offer, the OAS will supply the JNE with the necessary technical and technological assistance to organize, verify, and supervise the process. [applause]

Other organizations and countries have also requested the Peruvian Government to allow them to participate as observers in the 22 November elections. We have, obviously, approved these requests and will grant all the facilities they require. We are most interested in getting the international community to participate in this event, which will mark the transformation of Peru into an authentic and true democracy. Neither the government, nor the people fear these elections. [applause]

Despite the baseless criticism we have not received further details. [sentence as heard] We, thus, want to assemble the many initiatives presented by the other democratic sectors in the currently ongoing talks which are being headed by the prime minister. The talks will end on 18 August and the conclusions obtained will enable us to draw the regulations, which the government will promulgate and publish 90 days prior to the scheduled CCD elections. [applause]

With regard to these elections, the candidates of political organizations, as well as independent candidates, will be able to register 45 days prior to the scheduled elections. The JNE will reform the procedures accordingly. The government also considers that the CCD should be a single chamber institution and should not have more than 80 members. [applause] Also, the government has proposed that the elected CCD members not be allowed to participate in the following two general elections. This will ensure the transparency of the CCD's decisions on the constitutional amendments resulting from the proposals made at the mentioned talks or from the CCD's own resolve.

Bearing in mind that the CCD elections will be held 22 November, and that the installation has been scheduled for 22 January 1993, we have decided to hold the municipal elections the first Sunday in February next year. [applause]

We believe this is the best choice. We believe that most of the country's mayors agree with it, because that is what they said in this very hall. The Ampes [not further identifed] members received this proposal with a broad and mature attitude. We will, therefore, have municipal elections. We will also strengthen the municipal system. As an effective decentralization measure, as announced recently, we are going to transfer 50 percent of the regional compensation fund directly to local authorities. [applause]

Regionalization must continue. However, we must correct it. Such an important and long-standing hope of Peruvians must not end as just another historical frustration. Regionalization started extremely hastily for political reasons. With great pomposity, it, copied the old Lima-style centralization on a smaller scale. It became a miniature centralized system, a mini parliamentarism, more concerned with power and useless actions than with the people's urgent needs. We must correct that for regionalization to be a true means of national and regional development. That is why we propose that the presidents of regional assemblies be elected by the people. [applause]

We must remember that municipalities play a basic role in regionalization and decentralization, and that there should be no confrontation between regional and municipal governments, but rather complementariness for the benefit of their areas.

These are modern times. New centers of interest have emerged after the thaw in bipolarity. Peru cannot lag behind again, perhaps in what may be its last chance. We have relative importance in the world arena. We capture world attention only because of our problems. That is the truth. However, beyond our problems, and the glory of our pre-Hispanic past, Peru does not have any strategic importance in today's world order. We are not the only ones in this part of the world in the same situation. Our neighboring countries, and Latin America, in general, are still seeking a place in the world. Each of us, individually or jointly, must find new and better reasons for things to change. We cannot earn world respect, nor attract investors overnight. We cannot do this through the traditional tenets that sometimes ruled our foreign policy.

We know that to modernize our country, we must apply the same principles to our domestic, as well as foreign, policy.

That modernity is in the process of implementation and the maximum productivity of all of our nation's resources and possibilities must be put forth toward national development. All talent, all training of our diplomatic personnel, and all the money the government has invested in them—starting with the president's direct and personal intervention in the promotion of the new times that the country is living to the manner in which human and monetary resources are utilized in foreign service—must be directed slowly toward this new objective.

We have made undoubtable efforts in various aspects of foreign relations in the past year. The results have been good. As president of the republic I have traveled abroad 17 or 18 times. I have done this to promote, at the highest levels, our new attitude toward development. Peru has gone out in search of the world. Peru has not restricted itself to sit and wait for problems to develop and then call on friendly nations for help and compassion. The most important issue for Peruvians, the war against criminal terrorism, has been a priority on the agenda during these trips. A visit to the University of California at Berkeley, which was part of a tour that included several Southern Asian countries, served as a framework to denounce the lenient attitude of some international human rights institutions toward the crimes committed by the terrorist groups in Peru. It was only recently, and for the first time, that Amnesty International and Americas Watch included in their reports details of the violations of the human rights of defenseless citizens carried out by those groups.

Regarding our relations with our neighbors, we have begun, with the friendly Governments of Bolivia and Ecuador, an era marked by facts and actions. The opportunity Peru has given the Bolivian people in Ilo has strengthened their brotherly ties with us. Likewise, the kindness toward Peru displayed by Ecuadoran President Rodrigo Borja, a special friend of Peru, has allowed the Peruvian initiative to promote very friendly and trusting relations between our countries to prosper. The 1941 war and the Rio Protocol were not as successful in this area as we have been in the past few months. We are sure that this very cordial relationship will be further strengthened with President Sixto Duran who will assume office shortly. The warm and spontaneous welcome given by the Ecuadoran people to the delegation I presided over is still very clear in the minds of the Peruvian people. This initiative, which is the same toward our northern brothers, augurs a future of peace, cooperation, and integration. [applause]

I do not wish to conclude without expressing my deepest appreciation, and the appreciation of the Peruvian people, to the friendly countries that, through international technical cooperation have offered us much support in very difficult times. A good friend will stand by your side in difficult times. There is a new Peru that has expressed itself economically, socially, and culturally. Today, that new Peru wishes to express itself politically. If those who represent respectable political ideologies and party traditions do not support a change and continue to swim upstream, they are going to be left behind. The process of change can be compared to a snowball that gets bigger as it rolls downhill. The time for change has come to Peru and this country will continue to grow despite the effort of some who, using different methods, want to perpetuate a standstill. However, the new Republic of Peru will emerge like the round and radiant sun; it will emerge through the haze of dawn. Perhaps the darkness we are still experiencing is necessary for us to understand the change. In Peru we have forces that push us forward and they will not be defeated by those other forces that have curbed us in the past. [applause]

The people have always trusted me to perform this task. In the people's sacrifice and faith I see Peru's greatness, that greatness we are forging amid the crisis. What more can a president ask for but for that light shed by the daily example of those on the street and shops who are shaping their country with the wonderful clay of hope? He can do

nothing less than give himself entirely to that struggle for better days for each and every Peruvian. [applause]

Fujimori Rules Out State of Siege Decree

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[Text] Lima, 29 Jul (NOTIMEX)—Peruvian President Alberto Fujimori ruled out on 29 July the possibility his government may decree a state of siege in the country's capital given the wave of violence unleashed by the Shining Path terrorist group.

"That is not foreseen—that is not a measure," Fujimori said emphatically in brief statements to the media while touring Lima's downtown area, which is under strict security measures.

He announced he will soon issue new specific measures for the achievement of peace and to fight and definitely eradicate the problem of terrorism. He rejected the opposition's criticism about the lack of an efficient antisubversive strategy.

"Those are comments made by politicians, but they have no basis," said Fujimori, who attended the traditional military parade held to commemorate the 171st anniversary of the country's independence.

He praised the people's decision to participate in the "national holidays" and said that the citizenry's attitude "challenged the terrorist violence and demonstrates the Peruvian people's desire to live in peace and harmony."

On the other hand, Fujimori said the insistent versions from the local media about the "inevitable" changes in his cabinet of ministers, especially the defense and interior ministers, Generals Victor Malca and Juan Briones respectively, are "gossip."

'Terrorist Commando' Attacks Army Barracks

PA2807234892 Paris AFP in Spanish 2306 GMT 28 Jul 92

[Text] Lima, 28 Jul (AFP)—On 28 July, a terrorist commando attacked the Peruvian Army's general barracks in Lima. The bomb did not result in casualties, according to the police.

Military authorities have yet to reveal the degree of damage caused by the attack.

The Army's general barracks are located in the Lima district of San Borja, located approximately 7 km southeast of the downtown area. It is a large complex of buildings used as military offices.

The explosive device was launched by a mortar activated by an urban commando of the pro-Guevara Tupac Amaru Revolutionary Movement (MRTA), shortly after President Alberto Fujimori addressed the nation on the occasion of Peru's national independence day.

According to witnesses, the MRTA left pamphlets claiming responsibility for the attack, but these were confiscated by the police.

The MRTA is a pro-Guevara subversive group that has remained inactive in Lima for several months. It is a rival of the Maoist Shining Path group.

Mortar Fired at Defense Ministry Headquarters

PA2907025092 Lima Global de Television Network in Spanish 0100 GMT 29 Jul 92

[Text] Alleged subversives fired at the Defense Ministry headquarters on the afternoon of 28 July. The police report that the mortar fired by the terrorists failed to hit its target and exploded on Rio Zurco, which crosses the Defense Ministry compound. Witnesses claim three terrorists posing as street vendors and riding a three-wheeled vehicle fired the explosive device using a steel tube. Simultaneously, two explosions shook Mayer and Borget Streets in San Borja. Although the explosion caused no casualties, it seriously injured a puppy and damaged windows in several houses nearby.

Uruguay

Lacalle Criticizes U.S., European Tariffs

PY2907020892 Montevideo Radio Carve in Spanish 0000 GMT 29 Jul 92

[Excerpt] During a news conference in Seville, Uruguayan President Luis Alberto Lacalle criticized the strong U.S. and European tariff barriers on our country's products, barriers that harm their outlet and marketing.

Lacalle, who chaired the National Day of Uruguay at the Seville World Fair, pointed out: We are asking for opportunities, not for preferences or presents.

In this regard, Lacalle issued a warning on the conflict that might break out if the Uruguay Round of GATT talks is not successful. If tariffs are not liberalized, a general standstill and trade war might start, he said.

According to the Uruguayan president, this stance was supported by two countries, Spain and Portugal, during the recent Ibero-American Summit. A successful round would represent prosperity for mankind as a whole. [passage omitted]

Nuclear Reactor Removed From Budget Bill

PY2507011892 Montevideo LA MANANA in Spanish 17 Jul 92 p 34

[Excerpt] Officials sources who asked that their names be kept confidential have told LA MANANA that the installation of a nuclear reactor, the purchase of land for the facilities, and the training of personnel have been taken out of the draft budget implementation report, allegedly because it could unleash public and political debates.

Although the sources did not provide any specific details of the nuclear project, they explained that the cost was "low" and the initial purpose was to provide technical training and to apply nuclear energy to medicine and agriculture.

The sources said that the use of nuclear energy in Uruguay had been addressed as a project for the next 20 years, even though the experts had advised that a reactor be installed as "the initial step" toward the installation of a power plant.

One of the sources said that there is a "lack of maturity" in dealing with this issue because if one took into account that Argentina has built the Atucha power plant barely 80 km from the Uruguayan border, one would not be asking the questions that currently are being asked about safety.

The sources explained that if Uruguay wants to use nuclear energy to generate electricity by means of a reactor, it is essential to train Uruguayan technicians beforehand. [passage omitted]

Guyana

President Claims September Poll 'Unlikely'

FL2507181792 Bridgetown CANA in English 1704 GMT 25 Jul 92

[Text] Georgetown, Guyana, July 25, CANA—The elections commission could produce a revised voters list for 1992 general elections by next weekend, commission chairman Rudy Collins said here Saturday at his weekly press briefing. But Collins said he would have to brief members about the list and the commission's readiness by next weekend before informing President Desmond Hoyte that he has a credible list to hold elections.

"There is no change (in producing the list by the end of the month)," Collins told reporters. "The only obstacle between now and monthend is the need to meet with the commission," he added.

The full seven-man commission holds regular weekly meetings every Friday afternoon. Collins said the commission was still "gearing up" to be ready for elections by the latest on September 10. If the final list of electors is published by monthend, elections could be held between September and November.

But, President Hoyte, in a lengthy interview published this weekend in the "WEEKEND HERALD" newspaper, said a September poll is unlikely. He gave the one-month constitutional period for promulgating Parliament and 90 days allotted for holding elections as the reasons behind his assessment that a September poll is unlikely. The outside chance of a September election hinges on the commission publishing the revised list by next weekend.

Hoyte expressed confidence in being returned to office in the upcoming elections. The elections have been postponed twice in the last two years because of serious flaws in the voters lists. Meanwhile, six non-governmental organisations here, including two unions, have applied to the elections commission for local observer status. They are the Guyana Human Rights Association (GHRA), the Amerindian People's Association (APA), the Electoral Assistance Bureau (EAB), the General Workers Union (GWU), the National Association of Agricultural, Commercial, and Industrial Employees (NAACIE), and the Guyana Council of Churches (GCC).